THE SOCIAL PLANNING and RESEARCH COUNCIL of Hamilton and District

155 JAMES STREET SOUTH, 6TH FLOOR HAMILTON, ONTARIO L8P 3A4 TELEPHONE 522-1148

# A DESCRIPTION OF THE SOCIAL ASSISTANCE SYSTEM IN HAMILTON-WENTWORTH

Prepared by
Jane Opie,
Research Assistant

in Collaboration with
Gloria DeSantis,
Research Director

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OF HAMILTON AND DISTRICT

155 James Street South, Suite 601
Hamilton, Ontario. L8P 3A4

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## FOREWORD

This report is based on A Brief Submitted to the Social Assistance Review Committee (Social Planning and Research Council of Hamilton and District, 1986). All the original content areas have been reproduced and updated for this report. In some instances major sections have simply been taken, word-for-word, from the 1986 Brief and placed in this report because no updating was required.

This report has also been written with the Regional Municipality of Hamilton-Wentworth as the geographic point of reference. The design of the Social Assistance System in Hamilton-Wentworth is not necessarily the same as other regions of the province. In sections of the text where other regions may vary, this point is stated explicitly.

The report includes many Social Planning and Research Council's value judgements about the Social Assistance System. For example, the basic goals of an effective Social Assistance System include adequacy, accessibility and equity. Many public handbooks that describe how to apply for financial assistance, how to appeal decisions and what programs are available to individuals, do not usually contain statements of philosphy or values. Thus this report is meant to stimulate the reader's thoughts beyond mere descriptions into thinking about a "better" system of social assistance.

## ACKNOWLEDGEMENTS

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Finally, Jane Opie, our summer Research Assistant, must be commended for a job well done. Jane updated the data from the original report and gathered detailed information on all the programs. I can say, without hesitation, that if it wasn't for Jane, the report would not have been completed.

Gloria DeSantis,
Research Director

## DEFINITION OF KEY TERMS

Convert-To-Rent - Ontario offers interest free loans of between $5,000 and $7,000 per unit to help produce some 10,000 moderate-cost rental housing units primarily through conversions of non-residential building.

Co-ops - a collectively managed non-profit housing corporation which develops and self-manages a non-profit housing project containing rent-geared-to-income and market rent units.

Disabled - major physical, mental handicap that severely limits an individual in carrying out daily living activities.

Employable (G.W.A) - a person is employable if he/she is physically able to be employed with no apparent barriers. The expectation is that a fully employable person should be placed in a job within three months of applying for G.W.A.

Hamilton C.M.A. - Hamilton Census Metropolitan Area includes the City of Hamilton, Stoney Creek, Dundas, Ancaster, Flamborough, Glanbrook, Burlington and Grimsby. (This is different from the Regional Municipality of Hamilton-Wentworth which includes only the first six areas.)

Holistic View - no agreed-upon defintion appears to exist in the literature but for our purposes holism refers to wholeness where a whole is irreducible to the sum of its parts. The social, psychological, health, spiritual, recreational, financial and emotional aspects of a person's life are considered integral to the individual. For example, an elderly person with an extreme case of arthritis should not be reduced to a medical problem because his/her social, psychological and recreational needs are affected too.

Income Maintenance System - in this report it is synonomous with social assistance system.

Liquid Assets - includes cash, money in back accounts and items which can readily be turned into cash (e.g., redeemable stocks and savings bonds).

Low-Rise Rehabilitation Program - offers landlords forgivable loans of up to $5,000 per unit to help them upgrade some 7,000 older low-rise apartments in Ontario over the next four years. Apartments must be in buildings of less than 5 storeys and must have been built prior to 1960.

Mixed Employment Approach - the proposed utilization of a variety of employment sectors (both private and public) for the purpose of employment creation.

Municipal Non-Profit Housing - municipally-based non-profit housing corporations which develop and maintain non-profit housing projects which contain rent-geared-to-income and market rent units.

## DEFINITION OF KEY TERMS (cont'd)

Municipal Tax Base - includes taxes collected from citizens in a municipality, which in turn are made available to them if they are eligible for municipally funded programs.

Point Rating System - a point system employed by the local Housing Authority, designed to rate an individual's need for housing.

Poverty Line - refer to Appendix A for three different poverty line definitions.

P.U.E. (permanently unemployable) - a person who is able to carry out most day-to-day activities but is unable to work because of some medical difficulty that is expected to continue for a long time.

Private Non-Profit Housing - private non-profit housing corporations which develop and maintain non-profit housing projects, which contain rent-geared-to-income and market rent units.

Rent-Geared-To-Income - those units in housing projects which have rents set at levels such that tenants do not spend more than 30% of their gross income for rent.

Social Assistance System - this broad based term refers to programs which offer financial aid and/or support services to those citizens deemed in need. In this report a number of these programs are identified: Family Benefits Assistance (F.B.A.) is administered through the Ministry of Community and Social Services; General Welfare Assistance (G.W.A) is administered through Regional Government; GAINS-A, is administered through the province; and Guaranteed Income Supplement and Old Age Security are both administered through the federal government.

Social Housing - all units, whether rent-geared-to-income or market rent, provided through financial assistance from various government programs to non-profit private, community-based or public organizations.

Support Programs/Services - ideally, refers to a coordinated and integrated range of community-based services and programs that fulfill a variety of people's needs (e.g., financial, spiritual, recreational, social, psychological).

Unemployable (G.W.A.) - a person is unemployable if he/she has several barriers to employment including physical incapacity, serious mental or physical disability and/or other social problems. These barriers may be temporary or permanent. Examples include: a) a person who is certified by a medical practitioner as being unable to work due to physical or mental reasons; b) single parents who must remain in the home to care for dependent children, and; c) a person who is 55 years of age or older.

# 1.0 INTRODUCTION

## 1.1 Overriding Principle

The Social Planning and Research Council (S.P.R.C.) believes that

> The goal of Ontario's social assistance programs should be to ensure that all Ontario residents have an adequate lifestyle characterized by adequate shelter, food, clothing and real opportunity to participate meaningfully in the life of their community (S.P.R.C., 1986).

This overriding principle is founded upon two separate but related beliefs. First it stems from a holistic view which demands that policies recognize human beings as whole entities with a continuum of needs rather than "parts" of entities with only one need. For example, to focus on an individual's financial needs without consideration for their shelter or nutritional needs means that only part of the individual is being cared for. Subsequently, even though this publication focuses on the Social Assistance System it must necessarily, from a holistic perspective, consider other essential issues that affect individuals who are in the Social Assistance System.

In the second instance, the S.P.R.C. principle challenges the historically conditioned concepts of "worthy" versus "unworthy" citizens by asserting that all people share a common set of needs, which must, at some basic level, be met. By arguing that all persons have a shared minimum set of needs, we position ourselves strongly on the side of adequacy in the debate over what does, or does not, constitute poverty. Needs for food, shelter, clothing and participation in the social life of a community are shared by citizens - as such, they are rights. The Social Assistance System must either embrace or be a component of a larger policy which recognizes and supports these fundamental rights. Shortfalls in income or service deny these basic rights and therefore, create inadequacy of lifestyle in terms of physical or social needs.

## 1.2 Adequacy

There has been extensive discussion in Canada on defining and counting the poor. The S.P.R.C. has opted for a definition of poverty based on the adequate budget approach and has rejected the more popular and more frequently used Statistics Canada Low Income Cut Off Point (which tends to use only estimates of minimum physiological needs while ignoring social needs).

The adequate budget approach assumes that all families regardless of income, require a similar stock of goods and services for their physical and social functioning and that these basic requirements can be satisfied at low to moderate costs regardless of what families at different levels actually spend. These basic requirements have been developed into standards, allowing local adequate budgets to also be developed.

Generally, the adequate budget level is greater than subsistence, but less than average. It suggests what a family/individual should spend to have an adequate lifestyle, characterized by both healthy physical and social functioning.

## 1.3 Meaningful Participation

Meaningful participation in community life can be characterized by a variety of subtle and not so subtle experiences. Participation in the "political" aspects of community life, or the inability to do so, is often a subtle process. Without an adequate income or other essential elements of economic well-being including some reasonable degree of security, a reliable source of income and even expectation of improvement or upward change, "... other aspects of well-being can seldom be fulfilled." (Canadian Council on Social Development, 1984).

In political terms this means that people can lose access to opportunities that improve their quality of life (e.g., opportunities provided through health and education). Children, as one result, may be unable to participate in special events at school such as sports day, special outings and hot dog day because of their extra cost.

Inadequate resources will limit people in other ways. A vital community provides for and encourages input from community members into those processes which affect them. People have control over their life and influence in the community process. Without sufficient resources, this participation does not occur. Restricted access to housing, limited freedom of choice and limits on freedom of movement each represent diminishing control over one's life. The absence of newspapers, movies or annual vacations will distance people from the cultural life of their community and the information and experience necessary to participate equally in it. Add to this, the not so subtle inability

to acquire meat, fresh fruits, sporting equipment, fitness and good health, and the result is an even greater distancing, even alienation, of people from opportunities for participation. Such limits create pressures which undermine any system otherwise designed to allow for meaningful participation.

## 2.0 BASIC GOALS OF AN EFFECTIVE SOCIAL ASSISTANCE PROGRAM

### 2.1 Adequacy, Accessibility and Equity

From the overriding principle outlined above, three important goals emerge. Since income is a key determinant in the purchase of goods and services which comprise an adequate lifestyle, the first goal for the Social Assistance System should be to:

GOAL 1: ensure that all Ontario residents receive an income which ensures an adequate lifestyle.

Where incomes are insufficient to this task, either additional income must be generated or support services must be provided (e.g., affordable housing).

While income is a key factor, it may not be the only factor. Ensuring that individuals have access to the range of resources and services which will provide them with an adequate lifestyle is also important (e.g., health services, good education, counselling). The second goal of the Social Assistance System should be to:

GOAL 2: ensure that all Ontario residents have access to the resources and services which can ensure an adequate lifestyle.

Even where there is sufficient income and effective access to resources and services, there remains the need to ensure that old notions of "deserving" and "undeserving", best typified by the classification of people into categories such as "employable" and "unemployable", be terminated. If an adequate lifestyle is held to be a right, as we have argued, then the third goal of our Social Assistance System should be to:

GOAL 3: ensure equity in the delivery of services to all Ontario residents.

## 2.2 Current Impediments to Achieving These Goals

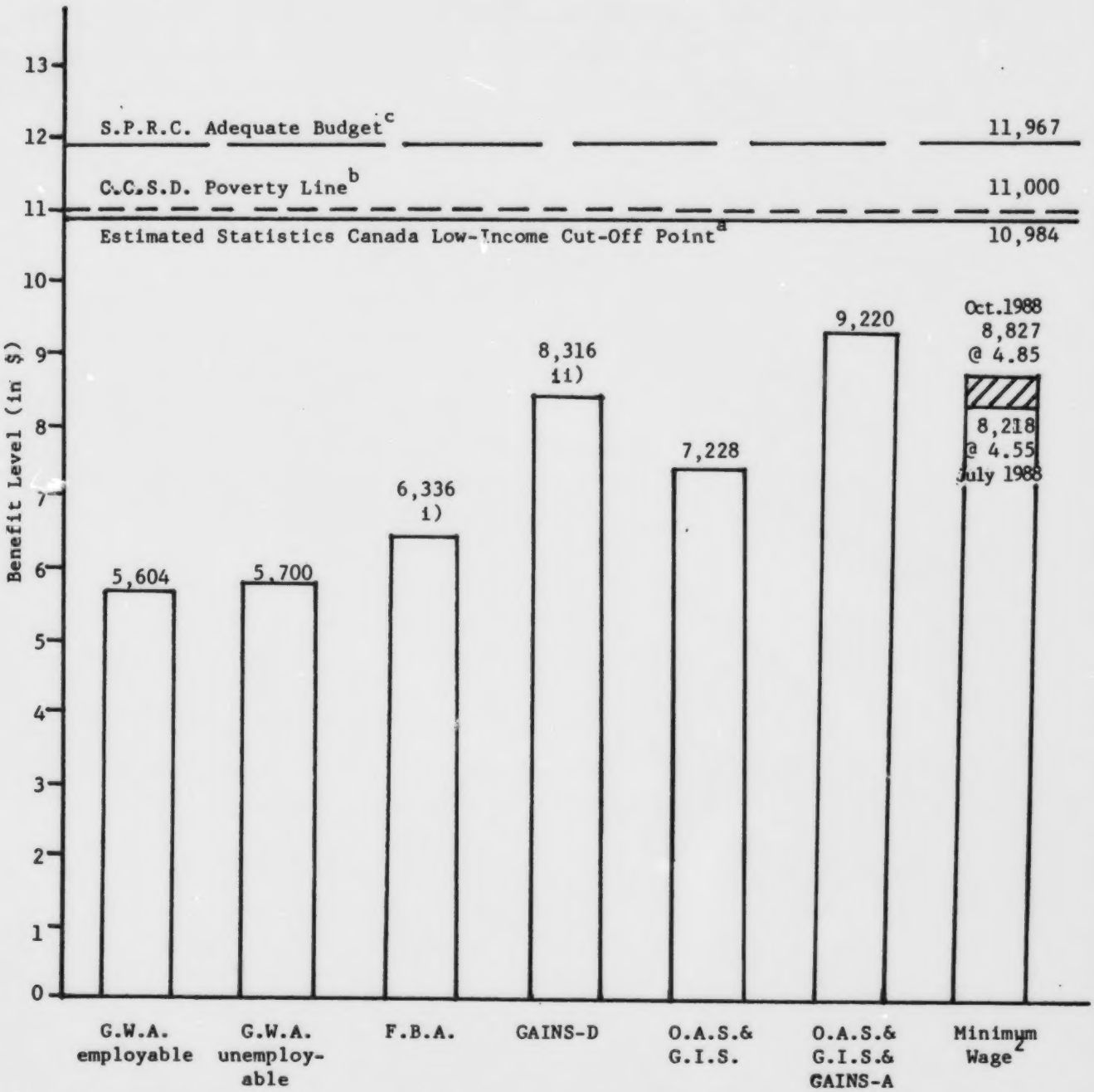
### 2.2.1 Chronic Poverty

Recipients of social assistance programs across Ontario have systematically been refused the right to an adequate lifestyle through receipt of incomes which place them in severe poverty. Figures 1 through 4 display the inadequate income levels offered by the various social assistance programs as well as the income earned by the working poor at minimum wage. The General Welfare Assistance (G.W.A) and Family Benefits Assistance (F.B.A.) consistently fall below the Statistics Canada Low Income Cut-Off, the Canadian Council on Social Development (C.C.S.D.) Poverty Line and the S.P.R.C. Adequate Budget Levels on each figure. The Guaranteed Annual Income for the Disabled (GAINS-D) and the Old Age Security (O.A.S.) programs never reach the C.C.S.D. Poverty Line. The inadequacy of financial assistance through these programs is obvious. And if one considers the working poor, minimum wage is not enough to raise individuals beyond the lowest poverty line. Thus employment is not necessarily a solution for reducing low income.

Chronic, severe poverty occurs on a widespread basis in Ontario. Despite government attempts to upgrade incomes, our social assistance programs are failures. The issue at stake here is not whether poverty exists, but whether our community is prepared to tolerate its existence.

FIGURE 1: MAXIMUM ANNUAL INCOME BY PROGRAM[1] - SINGLE ADULT

(Summer 1988)



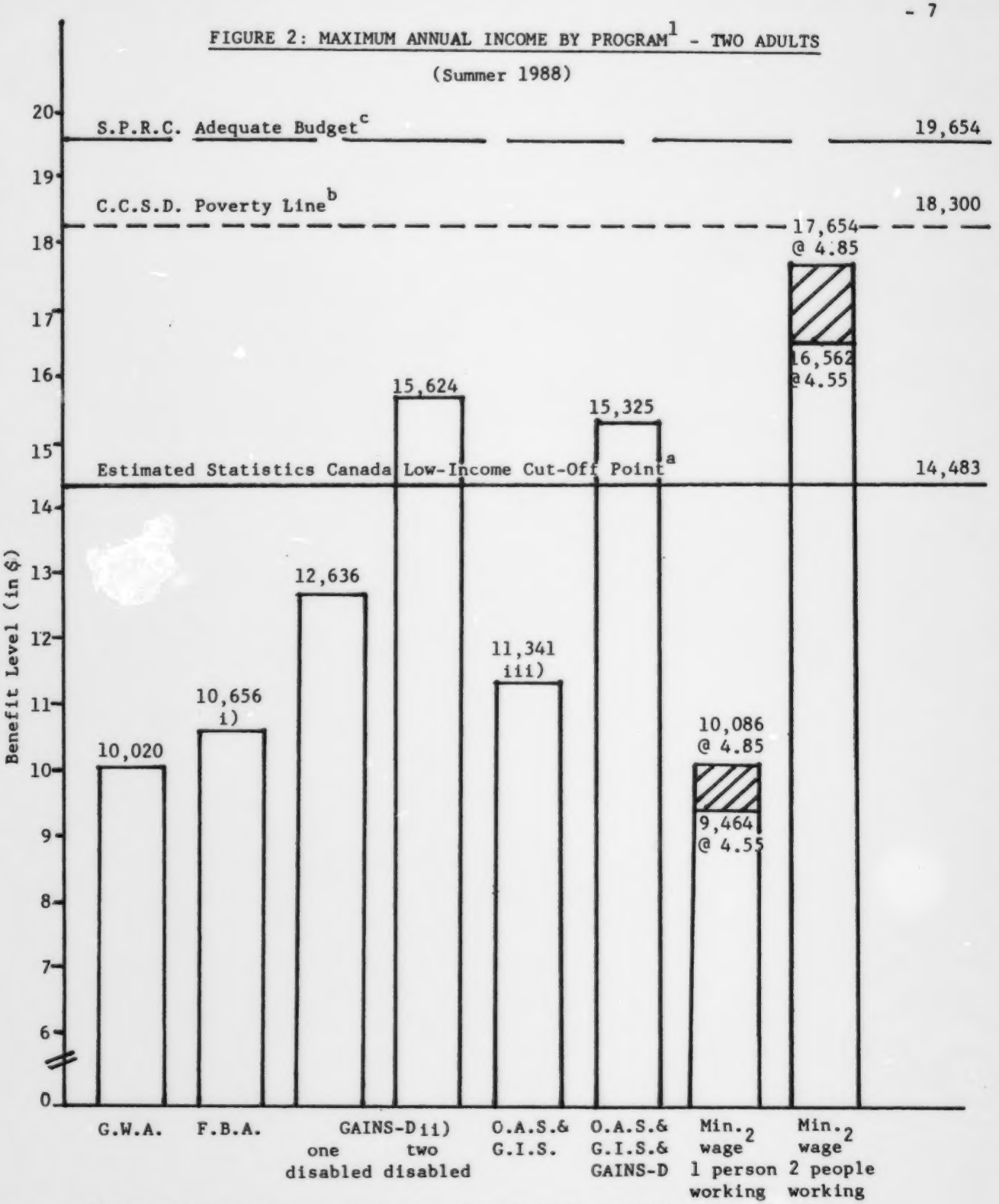

i) not a frequent occurance as the recipient would be over 65 but not considered unemployable or disabled or not in Canada long enough for O.A.S. eligibility.

ii) GAINS-D refer to applicants who are renters, owners and private market boarders.

For explanation of notations a, b, c (poverty lines) and 1, 2 see Appendix A.

FIGURE 2: MAXIMUM ANNUAL INCOME BY PROGRAM[1] - TWO ADULTS

(Summer 1988)




i) not a frequent occurance as both recipients would be over 65 but not considered unemployable or disabled or not in Canada long enough for O.A.S. eligibility.

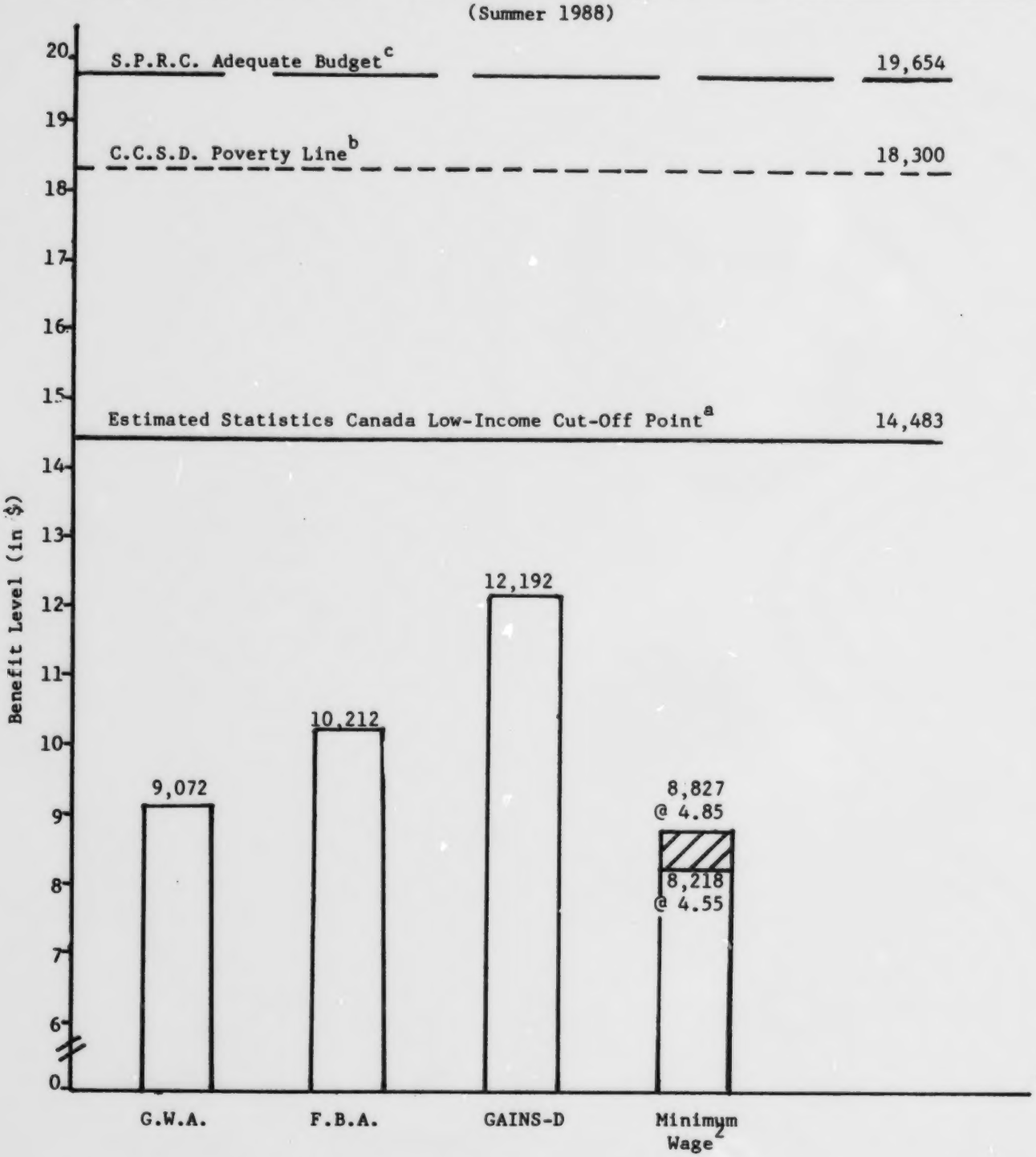
ii) GAINS-D refer to applicants who are renters, owners and profit boarders.

iii) married, both pensioners

For explanation of notations a, b, c (poverty lines) and 1, 2 see Appendix A.

FIGURE 3: MAXIMUM ANNUAL INCOME BY PROGRAM[1] - ONE ADULT AND ONE CHILD (LESS THAN 9 YEARS)

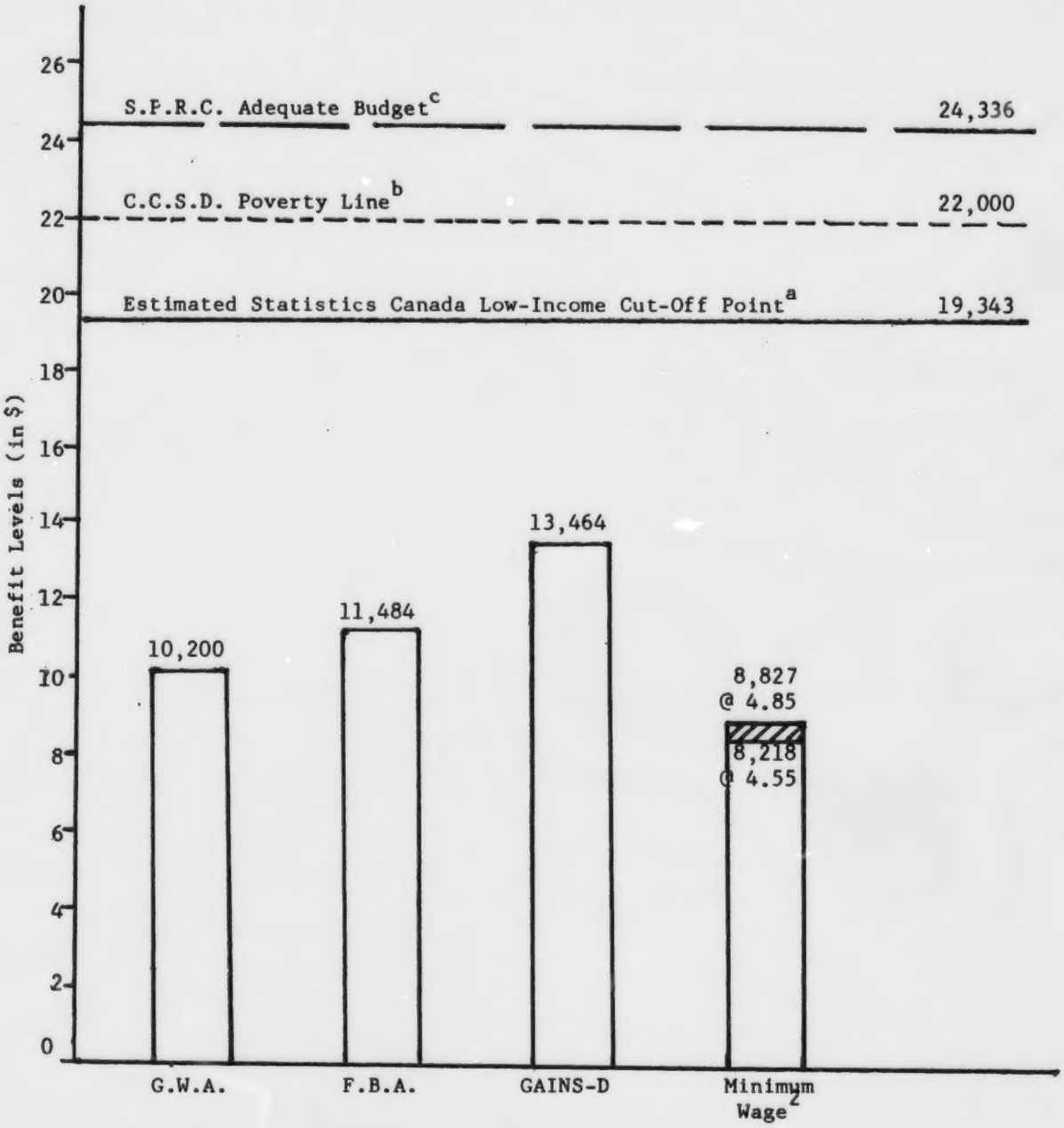
(Summer 1988)




For explanation of notations a, b, c (poverty line) and 1, 2 see Appendix A.

FIGURE 4: MAXIMUM ANNUAL INCOME BY PROGRAM[1] - ADULT WITH TWO CHILDREN (LESS THAN 9 YEAR OLD)

(Summer 1988)




For explanation of notations a, b, c (poverty line) and 1, 2 see Appendix A.

### 2.2.2 Inaccessibility of Services and Resources

Support services (whether they are day care, counselling or job retraining) are a fundamental component of a social assistance system if we view people holistically. Lack of access to such services can be a major block to an adequate lifestyle.

Lack of access may express itself in at least five ways: geographic inaccessibility, lack of services, income-related problems, access difficulties due to service fragmentation, and problems with access due to lack of information. Geographically, rural and northern areas typically tend to be underserviced (e.g. women's shelters), although even urban areas may experience geographically determined access problems (e.g., restrictive zoning for adult residential care facilities). Inaccessibility may occur because services do not exist (e.g., insufficient number of day care spaces), exist only marginally, or are over-taxed (e.g., waiting lists for counselling services). At times, lack of services may occur because they are delivered through voluntary agencies which may not exist in given communities; this is contrasted with communities rich with a sophisticated mix of public and private service systems. Insufficient income may block access to services (e.g., day care, where moderate income families are finding themselves forced out of the approved market into less expensive, poorer quality, informal arrangements). Fragmented delivery of services can lead to uncertainty about who is delivering what program, which makes access difficult, and simple lack of knowledge about the service system in general can impede successful access.

Where services cannot be accessed, quality of life (lifestyle) can be seriously damaged. The challenge, therefore, is to define the minimum range of support services necessary for ensuring adequacy of lifestyle for all residents of Ontario, and recommend mechanisms to ensure this minimum range is reached and sustained.

2.2.3 Inequity

The existence of inequities within programs and across programs is well documented. To take one example, a single woman with dependents may, over her life, start off on General Welfare (lowest allowance), shift to Family Benefits (a more generous allowance), shift back to General Welfare as an "employable" when her children are gone, shift to "unemployable" when she turns 55, and finally shift to O.A.S./G.I.S. (most generous allowance) when she turns 65. At each stage, some judgement about her "worthiness" as a recipient is made which bears no relationship to what her needs might actually be.

If, however, we approach the problem of income support from a perspective of adequacy, her "worth" as a recipient never changes - only her needs. Her right to an adequate income is upheld with no stigma or judgements attached to her particular circumstances.

## 3.0 THE SOCIAL ASSISTANCE SYSTEM

### 3.1 Overview of the Programs

Now that we have considered basic goals and impediments of the Social Assistance System we can consider three programs in more detail. The General Welfare Assistance (G.W.A.) program, the Family Benefits Assistance (F.B.A.) program and the Guaranteed Annual Income Supplement for the Aged will be explained here. The description of each program will also include a discussion of the significant issues as they relate to the goals outlined above.

### 3.2 General Welfare Assistance[1]

#### 3.2.1 Overview

In its "Income Maintenance Handbook" the Ministry of Community and Social Services describes the General Welfare Assistance or 'welfare' as a program which:

> provides short-term financial help to pay for necessities when an individual or family suffers a temporary loss of income due to illness, unemployment or some other misfortune.

From its inception, the program was intended to be short-term, with rates established at a level which would cover only necessities. Rates were set sufficiently low enough to encourage recipients to seek work as a route off the program. This priority was further emphasized by the inclusion of regulations which require recipients classified as employable to demonstrate their readiness and willingness to work.

General Welfare Assistance is administered through the Regional Social Services office. Its funding is cost shared, 20% municipal (which in turn is dependant on the muncipal tax base) and 80% federal/provincial (shared 50:30 respectively).

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[1] The bulk of this information is taken from the Regional Municipality of Hamilton-Wentworth's Department of Social Services document An Introduction to the Social Services Department and General Welfare Assistance and from personal communication with Carmen Salciccioli of the Social Services Department.

In the following sections, we explore the realities which challenge the assumptions and principles which have shaped the General Welfare system in Ontario: recipient classifications (employable vs. unemployable) are no longer appropriate; needs are no longer (if ever) short term; current payments don't even allow basic necessities to be met; the municipal tax base is already strained; inequality of availability and accessibility of services in rural versus urban centres exists, and; there are difficulties in providing incentives to work within the current system.

Generally, any resident of Ontario regardless of citizenship or length of residence may apply for G.W.A. The only stipulation which must be met is that the recipient be in financial need and not regularly employed. Therefore to be eligible for assistance a person might be:

1. unemployed and looking for work;
2. a mother supporting children alone;
3. private foster parent;
4. sick and not receiving sick benefits;
5. disabled or blind and not receiving F.B.A.;
6. elderly but not receiving O.A.S.;
7. attending high school but living independently of family;
8. in an unusual situation of distress;
9. under 18 years of age - in exceptional circumstances of family breakdown.

The Social Services Department operates a phone-in system. The application process may be initiated via this route. However, applications for assistance are generally completed in the applicant's home.

At prescribed intervals, a Social Services Worker will visit the client's home to determine continuing eligibility. As well, a monthly statement of income must be completed by clients as a measure of continuing eligibility.

Employable clients are required to be actively searching for employment. Although the number of required job search efforts may vary with individual situations, generally 10 searches a week is considered satisfactory.

Telephone calls and letters are not considered adequate searches. Job search efforts are recorded on a job search list for review by a case worker. The client is expected to accept any legal full-time employment although each situation is evaluated individually.

Appeals can be made at two levels: a) The Internal Department Appeal or b) Social Assistance Review Board. In both instances, the client is informed of their right to have a local advocacy group assist them in the appeal process.

The Internal Department Appeal is reviewed through the following hierarchy:

a) the worker's supervisor;
b) the Area Manager;
c) the Director of Income Maintenance;
d) the Commissioner of Social Services.

In the event that assistance is denied after this appeal, the next appeal process is through the Social Assistance Review Board. There are time limits to the appeal process.

Within the G.W.A. system there are additional forms of assistance which may or may not be available. G.W.A. recipients receive free medical/hospital insurance as well as coverage for prescription drugs. The availability of other forms of assistance depends on both the individual situation and the funds and resources specific to the particular municipality. For instance, the municipal funds available in Hamilton-Wentworth will allow the cost of dentures to be subsidized whereas this does not occur in the Niagara region.

One such benefit is referred to as 'Special Assistance' and is available to G.W.A. recipients and people who are not receiving any form of government assistance. This benefit is designed to cover the costs of extraordinary expenses. These may include dental services, prosthetic appliances including eye glasses, and prescribed drugs.

'Supplementary Aid' is another non-mandatory program of G.W.A. This program provides additional assistance for people who are already receiving F.B.A., Old Age Security (O.A.S.), GAINS, Spouses Allowance or a training

allowance from Vocational Rehabilitation Services. This additional assistance can cover the cost of items included within the auspices of 'Special Assistance', but may also include such expenses as unusually high shelter costs and other special living expenses.

Work Incentive Allowances may also be available. This allowance is paid to participants in approved work activity programs. These municipally-operated job preparation programs may be available in some municipalities for people who have some mental, emotional or other difficulty that prevents them from getting or holding a job.

### 3.2.2 Long-Term Receipt of G.W.A.

General Welfare Assistance (G.W.A.) was originally intended as the main income maintenance program for people who are in short term or emergency need. But, this theoretically short-term benefit has become the primary source of income over the long term for some people. But, the long-term impacts of the recession have added new groups such as technologically-displaced and older workers to traditional long-term G.W.A. recipient groups (e.g., youth, ex-psychiatric patients, partially disabled and older single, divorced and separated women). In a 1986 Social Planning and Research Council study of unattached women over 40 (Csiernik and Rempel, 1986), of 192 respondents, 58 (30.2%) had been in receipt of General Welfare Assistance for one to two years, 41 (21.4%) for three to five years and 30 (15.6%) for 6 or more years. Another Social Planning and Research Council study (Csiernik, 1987) questioned teenagers receiving G.W.A. in order to be able to complete high school. Of 102 teens, 29 (28.4%) had been beneficiaries for more than one year.

### 3.2.3 Employment

When single individuals are added to the G.W.A. caseload, they are classified as either "employable" or "unemployable". "Employables" are characterized as those free of any serious disability or health problem. "Unemployables" often have minor health problems or disabilities, though not severe enough to warrant a disability allowance, or are 55 years of age or older. Those circumstances combined with a lack of skills, experience or education drastically reduce a recipients chance of actively competing in the employment market. Thus, "unemployables" are not necessarily physically unemployable but

rather may be socially unemployable. Despite the emphasis on distinguishing between employable and unemployable, the classification translates to a minimal $8.00 per month more in assistance for the "unemployable" client.

A common misconception is that welfare recipients do not want to work, even though the opposite has repeatedly been demonstrated. Of 103 teen clients surveyed, 91 (88.3%) had actively searched for either full-time, part-time or summer employment since they turned 16 (Csiernik, 1987:Appendix B). When women over 40 (Csiernik and Rempel, 1986:C-28) were asked why they were not presently employed, only four of the 429 answers (representing 177 respondents) were "not interested in working" (0.9% of responses; 2.3% of respondents). Of the 196 women surveyed, 167 (85.2%) had worked in the past, while 27 (16.2%) were still working to supplement their benefits.

Under General Welfare Assistance regulations, a single recipient is permitted to earn $50 per month and 25% of excess earnings before money is deducted from their allowance (refer to example on the following page). This extra $600.00 annual incentive would place a single employable 43.5% below 1988 Estimated Statistics Canada Low Income Cut-Off Point and 48.1% below the 1988 S.P.R.C. Adequate Budget Level. Similarly, the head of a family living with a spouse is permitted to earn $100.00 including the spouse's income. As well, 25% of excess earnings is exempt.

If a single person earned $100 in a month, he/she would net $62.50. If the client was allowed to keep this deducted $450/annum ($37.50 x 12 months), he/she would still be approximately 38% below the estimated 1988 Statistics Canada Low Income Cut-Off Point.

Although the G.W.A. allowance has supposedly been set low enough to encourage recipients to seek work, it is doubtful that this form of incentive actually works. A single individual working a 35 hour week for minimum wage ($4.55/hour) will earn about $689 a month. With all the exemptions applied, this person earns slightly more ($480) than the monthly allowance for a either an employable ($467/month) or unemployable ($475/month) G.W.A. recipient and therefore he/she will not be eligible for G.W.A. Although this individual is

earning more than the G.W.A. allowance his/her income is still substantially below the estimated 1988 Statistics Canada Low Income Cut-Off Point. Additionally, he/she is not eligible for all the non-monetary benefits which is a significant disadvantage and possibly a disincentive to work.

However, as of June 29, 1988 the Regional Social Services Department has implemented a "top-up" break for the working poor to encourage recipients to remain employed. This program, previously limited to two-parent one-income families has been extended to include anyone whose income is less than the G.W.A. budget after the exemptions are applied. For example: A single person working 120 hours a month at minimum wage ($4.55/hour) will earn $546.00. After applying the exemptions for a single person, this individual will have his/her income supplemented according to the following calculation:

| | |
|---|---|
| $546.00 | |
| -50.00 | basic exemption |
| $496.00 | |
| -124.00 | (25% of $496.00) |
| $372.00 | |
| | |
| $467.00 | - employable G.W.A. allowance (Figure 1) |
| -372.00 | |
| $ 95.00 | - top-up supplement |

Therefore this person will earn $641.00 a month ($546 + $95), plus he/she will be eligible for all the non-monetary benefits as well. The Social Planning and Research Council's One Year Evaluation of the Hamilton-Wentworth Regional Social Services Teen Worker Programme (Csiernik, 1987) certainly provides examples of the inadequacy of work incentives as stated by respondents.

> "Constructive tangible programs (are needed) for persons to leave welfare assistance and go back to work without being financially penalized. ... At times I have had to shoplift foods to live on. ... I find that if I start even a part-time job to get back (in)to the work force its impossible to just pay rent. The Welfare states if I earn over $50.00 a month some is deducted from my assistance. Yet to go to and from work, bus fare costs. Its not too encouraging to work and receive less earnings than if I were to stay in my stagnant situation. How can I do better? HOW CAN I GET OFF WELFARE?"

> "If you can find yourself part-time work, you should be permitted to keep (all) the money considering you found yourself the job and could improve your living standard with the money."

> "(Regional Social Services should) provide an incentive to work by providing information about employment and not deducting such a high percentage."

These findings and comments are not surprising as the literature reconfirms that recipients prefer to work. In an article entitled "20,000 Choose Paycheck Over Welfare Check", Charles Atkins (1986:21) describes the state of Massachusetts' attitude and approach:

> "Forcing welfare recipients to take minimum wage jobs and forcing them off the welfare rolls will not work."

What has succeeded in Massachusetts is a program providing choices. The program, entitled "ET" - Employment and Training choices, allows recipients to choose their own way into the labour force. "ET" provides a series of coordinated options including basic education, skills training, on-the-job-training and job placement. It also encourages participants to only select work that provides a wage adequate to support the individual and his/her family. Atkins (1986:22) states

> "The program has proven that welfare recipients do want to work; that they are excellent, highly motivated employees; and that they have aspirations the same as anyone else."

Similar findings were made in Maine where 66% of 4,500 welfare recipients placed in jobs were still working one to two years later (Petit and Wilcox, 1986:14). In San Diego, 5,350 of 11,600 (46.1%) welfare claimants involved in the city's job placement program found and maintained private sector, non-government subsidized jobs (Bacon, 1986:29). The common element throughout the American programs was the clients' ability to choose their way back into the workforce along with the availability of jobs providing adequate incomes.

### 3.2.4 Payments and Poverty

Adequacy is a key element lacking from the current provincial system. Figures 1 through 4, previously discussed, illustrate that social assistane levels fall far short of poverty and adequacy levels regardless of the reason for receipt or family size.

Since receiving General Welfare Assistance, 75 of 102 (73.5%) teens attending school required additional assistance. Thirty-three (45.2%) stated they had needed food, 30 (41.1%) clothing, nine (12.3%) shelter and 47 (64.4%) additional money. Seventy-eight (80.4%) of 97 students replied that the money they are allotted does not last the month (Csiernik, 1987:Appendix B). Similar results were found in the study examining unattached women over 40 in receipt of General Welfare Assistance (Csiernik and Rempel, 1986:C-30,31). Of 189 respondents, 155 (82.0%) had required additional assistance to supplement their monthly allowance. Sixty-eight (43.9%) had received food, 36 (23.2%) clothing, sixteen (10.3%) shelter and 59 (38.1%) money. However, 48 (31.0%) women who had reported requiring additional assistance since being added to the G.W.A. caseload had received nothing despite their needs.

Allowance levels, particularly those of General Welfare Assistance were set low to discourage dependence. In reality, the system has produced long-term recipients living in chronic poverty. The following statements were made by Csiernik and Rempel's survey respondents in 1986.

> "I cannot survive on $335.00 per month. How do we buy gifts for our children on special occasions or buy our food and clothing? It is no wonder I am depressed."
>
> "My bills exceed my Welfare Allowance ... (I'm left) about $20.00 per month for personal needs."
>
> "Most people think no matter the amount of rent cost, the welfare (department) pays it. They pay a percentage toward it, and the rest comes out of the food money they provide."

In Hamilton-Wentworth, an employable person receiving the maximum G.W.A. allowance would fall 48.9% below the Statistics Canada Low Income Cut-Off Point and 53.1% below the S.P.R.C. Adequate Budget Level. An unemployable, by definition unable to supplement his/her income by working, will receive a maximum income of $5,700 in 1988; this is $96.00 more than an employable. The income of the unemployable person falls 48.1% below the Statistics Canada Low Income Cut-Off Point and 52.4% below the S.P.R.C. Adequate Budget Level (see Figures 1 - 2). Survey respondents made the following statements (Csiernik and Rempel, 1986:D-1, D-2, D-3):

"I want to know how a person is supposed to live on $295.00 a month (after rent) and keep their home (and) pay taxes, hydro, phone, food, clothes."

"How can I ask for more help with money when they (Regional Social Services) have so many people to look after. At least I can pay my rent and my children are trying to provide me with the food."

"I only have (enough) assistance for food and shelter. No money for clothes or transportation."

### 3.2.5 Shelter Subsidy

Another issue is the method the province uses to determine shelter subsidies. This system forces recipients to use money theoretically allocated for food and clothing to cover housing costs. In reality, the basic allowance is being used to supplement this inadequate shelter subsidy scheme.

This system affects not only G.W.A. clients but also GAINS-D and F.B.A. beneficiaries. For example, for a single person on G.W.A. in a 1 bedroom apartment, the threshold level is set at $120.00. The threshold level is the rent level above which the client will receive a shelter subsidy. He/she will receive a subsidy up to a maximum of $159.00 a month. Eighty percent of the rent above the threshold is also paid as part of the subsidy (an example follows below).

In October 1987, the Canada Mortgage and Housing Corporation (C.M.H.C.) reported that the average monthly rent for a one bedroom apartment in Hamilton-Wentworth was $362.00. However, this figure is indicative of units which are occupied; the figure which represents those vacant apartments may be higher ($377 - $425) (Fischbuch, 1988).

Using the C.M.H.C. figure:

average monthly rent = $362.00

subsidy calculation:

$362 - 120 = $242.00

$242 x 0.80 = $193.60

however maximum allowable subsidy = $159.00

difference subsidy:

actual rent = $120.00 + ($242.00 - 159.00)

$120.00 + $83.00 = $203.00

% of rent unsubsidized: $203.00

$$\frac{\$203.00}{\$362.00} \times 100 = 56.1\%$$

The long-term problems associated with social assistance are further reflected by the increasing dependence of beneficiaries on food banks. Allowances are supposed to provide adequate finances to purchase the basic necessities including food and shelter. Again, the reality of the situation is much different. Although, in Hamilton-Wentworth approximately nine agencies currently supply food on request, the general concensus is that the need is still not being met and even more importantly, despite the area's strong employment picture, the need is not going away.

Currently a sub-committee of the Food and Shelter Assistance Advisory Committee to the Region is attempting to implement a more formalized food distribution system within Hamilton-Wentworth. This "food share service" is intended to coordinate existing agencies and as a result increase the efficiency by which food is distributed. The aim is to achieve this goal by establishing a central depot to receive food for all agencies. New services must also be utilized in addition to improving the old, and supply capabilities need to be strengthened. <u>The need for so many agencies to supply this basic necessity in increasing amounts is a definite indicator of the failure of the provincial Social Assistance System to provide adequate incomes.</u>

### 3.2.6 Fraud

Another serious misconception regarding social assistance is that many recipients are defrauding the system. Headlines such as "Cracking Down on Welfare Fraud", as appeared in the Hamilton Spectator on October 18, 1986, do little to dispel these beliefs. However, the reality is far removed from this perception.

Little has been written on welfare fraud in Canada. While the 1985 Nielson Commission asked provinces to report on welfare abuse (Task Force on Program Review, 1986:30), the replies were not published. Several American studies have reported the incidence of welfare fraud:

- fraud was estimated to account for 3% of the approximately six billion dollars lost by the Health, Education and Welfare (H.E.W.) Department in 1978 (Young, 1983:362).

- San Joaquin County, California food stamp fraud investigation (1982) found of 5,622 monitored clients suspected of abuse, 560 (9.7%) received overpayments. Of those, 450 (80.4%) returned their overpayment upon notification. One hundred and ten, or two percent, of monitored clients were prosecuted (Greenberg, 1984:38).

- while some authorities assume 30 - 50% of Assistance for Dependent Children recipients (equivalent to parts of Ontario's Family Benefits Assistance program) are involved in fraud, official rates remain at three to five percent (Hutton, 1979:46).

Table 1 details 1987 statistics from the Hamilton-Wentworth General Welfare Assistance Eligibility Review Department. As other studies have indicated, only an extremely small minority of welfare claimants actively engage in fraud. Of the total complaints lodged in 1987 (2,942), only 3.4% (99) resulted in actual fraud charges. While fraud cannot be tolerated, the pursuit to catch those who abuse the system can overshadow the real problem - the poverty of all recipients.

> "I'm glad people are interested in helping us (teenagers receiving G.W.A.) and I hope (they) realize that not all people on Welfare are drug addicts, alcoholics and no-ambition slobs. Some of us, like myself, are on welfare to escape those problems and to further myself by going to college." (Csiernik, 1987)

TABLE 1: 1987 REGIONAL SOCIAL SERVICES CASELOAD FRAUD COMPLAINTS AND CHARGES
ELIGIBILITY REVIEW DEPARTMENT YEAR:1987

| Month | Complaints | | General Referrals | Lost Monies | | Overpayments | | Fraud Charges Laid | Accident Agreement |
|---|---|---|---|---|---|---|---|---|---|
| | Assets/ Income | Living Conditions | | Interviewed | Granted | Cases | Amt to be Recovered | | |
| JANUARY | 38 | 36 | 158 | 40 | 0 | 62 | $36,059.48 | 4 | 6 |
| FEBRUARY | 34 | 40 | 134 | 28 | 1 | 49 | $37,512.80 | 9 | 7 |
| MARCH | 31 | 47 | 181 | 31 | 1 | 46 | $21,163.61 | 7 | 3 |
| APRIL | 33 | 40 | 209 | 22 | 0 | 55 | $31,460.86 | 14 | 5 |
| MAY | 29 | 30 | 199 | 23 | 1 | 45 | $22,494.23 | 12 | 10 |
| JUNE | 36 | 36 | 214 | 29 | 2 | 86 | $33,520.75 | 14 | 10 |
| JULY | 40 | 30 | 193 | 27 | 1 | 49 | $29,964.14 | 9 | 8 |
| AUGUST | 38 | 29 | 178 | 28 | 1 | 67 | $31,838.01 | 8 | 5 |
| SEPTEMBER | 32 | 40 | 189 | 39 | 0 | 55 | $28,302.17 | 8 | 8 |
| OCTOBER | 28 | 37 | 161 | 25 | 0 | 48 | $19,541.21 | 6 | 5 |
| NOVEMBER | 24 | 15 | 150 | 31 | 1 | 47 | $23,889.33 | 5 | 5 |
| DECEMBER | 34 | 21 | 178 | 24 | 2 | 72 | $48,248.54 | 3 | 7 |
| TOTALS | 397 | 401 | 2,144 | 347 | 10 | 681 | $363,995.13 | 99 | 79 |

July 1987 Caseload = 6,512
TOTAL COMPLAINTS: 2144 + 397 + 401 = 2,942
% OF TOTAL COMPLAINTS WHICH RESULT IN FRAUD CHARGES: $\frac{99}{2942} \times 100 = 3.4\%$

(Source: Social Services Department of the Regional Municipality of Hamilton-Wentworth)

### 3.2.7 Municipal Tax Base

When General Welfare Assistance caseloads dramatically increase as they did in the early 1980's, local municipalities become hard pressed to meet their financial obligations of providing 20% of the program's costs. Past cost overruns in Hamilton-Wentworth's General Welfare Assistance budgets of approximately $6,000,000, led the Regional Municipality to seek emergency assistance from the provincial government. During such a crisis, local municipalities are not in positions to fund their mandatory percentage of General Welfare Assistance unless they cut back and even eliminate funds to other discretionary social services, voluntary agencies or other departmental budgets. It is at times when Regional Municipalities have the greatest demands that their local economies are least able to provide the mandatory contribution. Currently the Social Assistance Review Committee (S.A.R.C.) is examining the inequality and inaccessibility between social assistance programs in rural versus urban areas as a direct result of the variable municipal tax bases.

The only 'mandatory' aspect of G.W.A. is the actual benefit itself. This does not vary between municipalities. Any other aspect that may be associated with this assistance is 'optional' and depends on need and funds available. For example, special assistance, incentives, exemptions and emergency hostels are not mandatory. These discretionary services are therefore unequally distributed; they are concentrated in municipalities which can afford them and therefore inaccessible to areas that may be most in need.

### 3.2.8 New Developments

Social assistance, with its associated programs is continuously being reviewed and revised. Although, based on the evidence presented in this document, these changes are not always sufficient enough to meet the need, they are never-the-less an effort towards improvement.

An excellent example of such a change is the previously mentioned, recently implemented "topping-up" supplement for the working poor. This program is designed to encourage employment rather than dependence on the welfare system.

A revision to the General Shelter Subsidy (G.S.S.) is anticipated for September 1988. Specifically, the Ontario Budget has allotted two million dollars to cover utilities included as part of G.S.S. For example, a single individual will be granted $35/month for utilities and two persons will receive a corresponding $50/month plus $5 for each additional person.

A third example of changes to the system is the recently implemented (May 1, 1988) Employment Services Initiative (E.S.I.). This provincial government program is geared to sole support parents on social assistance (e.g., F.B.A. or G.W.A). The program begins with an individual assessment of goals and possible barriers with respect to employment. The client is then placed in group information sessions, or perhaps even in a one-on-one setting in an effort to achieve goals and overcome the previously identified barriers. Budgeting, employment, and life skills are only examples of what may be attained through this program. In addition, financial aid is available for such indirect costs to retraining as day care (for up to 6 months, until subsidized day care takes over), clothing, transportation, and supplies.

Lastly, as of November 1, 1987, new eligibility criteria for both Family Benefits and General Welfare came into effect. The new rules affect sole primarily support parents. Simply, where a man and woman have been living together continuously for 3 years, they will be considered to be cohabiting as husband and wife. In such a case eligibility for further assistance as a single parent would cease unless it can be proven the living conditions are otherwise. This change may be a reason for the drop in living condition fraud complaints (Table 1) as of November 1987.

## 3.3 Family Benefits Assistance[2]

### 3.3.1 Overview

Family Benefits Assistance (F.B.A.) is a provincial program that provides extended financial assistance to families and individuals who need help with living expenses. The program is administered through the nearest Ministry of Community and Social Services office and because of its long term nature, provides benefits at levels slightly above those of G.W.A. (see Figures 1 to 4). However, this difference in benefits is not significant and in reality F.B.A. recipients face poverty in much the same way G.W.A. recipients do. In fact, F.B.A. recipients may be further at risk with respect to seeking employment, due to both their lack of employability (magnified by extended absences from the work force) and need for particular support services (e.g., child care and training).

To be eligible for F.B.A. the applicant must be in financial need and:

1. elderly - 65 or older and not eligible for O.A.S. (Old Age Security), Spouses Allowance, or GAINS-A; or
2. a parent raising children alone; or
3. disabled (permanently), blind or permanently unemployable (P.U.E.) - This allowance is know as Guranteed Annual Income System for the Disabled (GAINS-D) and also includes females 60 - 64 years old; or
4. a low or middle income family looking after a severely handicapped child at home. This type of assistance is known as the Handicapped Children's Benefit and applies to children under 18 years of age; or
5. foster parents with foster children - A person having care of a child who is not under the care of a Children's Aid Society.

Residence requirements must also be met. The recipient must be living in Ontario but does not have to be a Canadian citizen. A sponsored immigrant may only be considered if his/her sponsor is no longer able to provide for his/her needs; the sponsor is generally responsible for 5 years.

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[2] A bulk of this information is taken from the Ministry of Community and Social Services Income Maintenance Handbook and personal communication with Dave Aquin of the Hamilton Office of the Ministry of Community and Social Services.

In addition to the above criteria, the applicant's financial need must be established before he/she becomes a F.B.A. recipient. First, liquid assets must be below a certain level based on family size. The second step in determining financial need, is to calculate the applicant's income. For example, this may include earnings, gifts, pensions, and rental or boarder income. However, for the purpose of Family Benefits, some income does not count at all (for example, inexpensive gifts and federal family allowance), some counts in full (for example Canada Pension, Unemployment Insurance and support payments) and some income counts in part (e.g., maintenance allowance paid under a training program or money received from a person who rents a self contained place from the applicant).

One of the major considerations in calculating need is living accommodations for which different circumstances will affect a person's needs. In fact, recipients are divided into 3 groups to determine cost of living needs:

1. renting or owning;
2. boarding; and
3. living in an institution.

If income and liquid assets are less than the legislated limits, the applicant is then considered to be in financial need and therefore eligible for Family Benefit Assistance.

Application for Family Benefits will be completed only by an income maintenance worker or other person approved by the Ministry. In most cases the worker will visit the applicant in his/her home to complete the application. Applicants are responsible for supplying all the necessary documents for themselves and their family. These documents include: proof of age, marital status, expenses, income and assets (for the past 3 years). Depending on the individual circumstances a completed medical form may also be required.

If an application is rejected or benefits reduced or stopped, the client may appeal to the Director of Ministry of Community and Social Services and if he/she is still dissatisfied, may appeal to the Social Assistance Review Board. The individual must request a hearing with this board where it is the applicant's responsibility to make his/her case with the aid of documents, witnesses, or legal assistance.

In addition to the financial assistance provided to F.B.A. recipients, these clients receive other non-monetary benefits:

1. free health insurance (O.H.I.P.);
2. drug assistance;
3. dental card - free basic dental care from dentist of recipients' choice;
4. home repairs - for home owners;
5. eye glasses, hearing aids;
6. back to school allowance - paid in August for school going dependent children who have reached four years of age by December 31 of that year.
7. diet allowance (i.e., diabetic);
8. fuel or shelter supplement;
9. winter clothing allowance for dependent children (in October/November 1988, the benefit will be increased 5% to $84);
10. other services - these may be provided or can be arranged by the Ministry (e.g., referral to other organizations, supply services, day care and homemaking services).

### 3.3.2 Longer Term Assistance - Longer Term Poverty

While the Family Benefits Act intended to provide long-term financial assistance for people unable to work, the reality is that recipients face a longer term of poverty.

"An Examination of Unattached Women Over 40 Receiving General Welfare Assistance in Hamilton-Wentworth" (Csiernik and Rempel, 1986:C-24) reported 105 of the 192 respondents (54.7%) had received F.B.A. prior to being shifted onto General Welfare Assistance caseloads. Of those 105, 27 (25.7%) had received benefits for one to four years, 33 (31.4%) for five to nine years, and 36 (34.3%) for 10 or more years. Figures 1 to 4 indicate that the financial assistance provided under the sponsorship of F.B.A. is not significantly greater than that of G.W.A. despite the intended long-term nature of the program. In 1988 in Hamilton-Wentworth, a single parent with one child under the age of 9 receiving the maximum F.B.A. benefit of $10,212 (which includes maximum shelter subsidy) will fall 29.5% below the Estimated Statistics Canada Low Income Cut-Off Point for 1988 and 40.0% below the S.P.R.C. Adequate Budget level. Similarly, a single mother with two children both under the age of 9 years receiving the maximum benefit ($11,484) will be 40.6% below the former and 52.8% below the latter (Figure 4).

### 3.3.3 The Disabled and Other Special Cases

The Family Benefits Act also provides assistance for certain groups who are classified as unable to work - the disabled, permanently unemployable persons (P.U.E.'s), women in receipt of social assistance between the ages of 60 - 64 (but not men of the same age - they remain on G.W.A. caseloads). This assistance is known as the Guaranteed Annual Income System for the Disabled or GAINS-D. It provides its recipients with slightly higher benefit levels than corresponding F.B.A. recipients. A single person belonging to any of the above mentioned groups of employment disadvantaged will receive a maximum GAINS-D allowance (including maximum shelter subsidy) of $8,316 in 1988. This level is 23% higher than the maximum F.B.A. allowance for a single but still 24% below the Estimated Statistics Canada Low Income Cut-Off Point for 1988 and 30.5% below the Adequate Budget Level for Hamilton-Wentworth (Figure 1).

Since the inception of GAINS-D, the province has regularly increased the benefit. The basic monthly allowance (excluding shelter subsidy) for a single person has increased 146.5% from $216.67 in July 1974 to $534.00 in July 1988. However between May 1975 and May 1988, the general Canadian Consumer Price Index increased 150%. Without even considering the additional costs many disabled persons face, or the below the poverty level income the allowance was initially set at, a 3.5% loss in the GAINS-D allowance's purchasing power has occurred.

Families with disabled children may be eligible for special assistance through Family Benefits. This program is known as the Handicapped Children's Benefit. This allowance is designed to help parents of handicapped children meet the ongoing additional costs arising from the child's handicap. The benefit is adjusted according to the particular needs of the individual situation up to a maximum of $300 per child per month. However, the benefit is incrementally decreased once the parents income surpasses $32,000 annually. In addition to the financial assistance, the handicapped child (not his/her family) also receives the non-monetary benefits of the F.B.A. program.

### 3.3.4 Shelter Subsidy

As previously indicated (Section 3.2.5), F.B.A., G.W.A., and GAINS-D share a similar formula for shelter subsidy calculation. The threshold level for a single F.B.A., GAINS-D recipient is $119.00, where 80% of the excess (above $119) is subsidized, to a maximum subsidy $159.00.

### 3.3.5 Support Services and Employment

Research confirms that many recipients of F.B.A. tend to lack the skills which would make them competitive on the labour market. Many, in fact, wish to learn these skills, but there are significant blocks including program availability, and the lack of support services and financial assistance which would facilitate this process.

A survey of social assistance recipients completed in 1985 by Single Mothers Against Poverty made a number of observations. Many women in the survey noted that a lack of education was a major contributing factor to their being on government assistance. In this survey, 58% of respondents reported education levels of Grade 9 to 11 and 61% had plans to continue their education. Major blocks to education included the costs of education, difficulty with day care and transportation.

An employed individual may also be eligible to receive Family Benefits. A person working less than 120 hours per month may be eligible for certain exemptions. For example, there is a basic amount, 'basic earnings', that recipients are permitted to earn which is not considered when benefits are calculated. A single person is permitted to earn $75/month without deduction from their benefits and a family up to $100/month. In addition to the basic earnings exemption, sole support parents are permitted a flat rate work expenses exemption of $40. If a person is elderly, permanently unemployable (P.U.E.), disabled or blind, his/her work expenses allowance will be $50 with a possible additional allowance of $40 if the applicant has extra work related costs associated with age or disability. On top of the basic earnings exemption, 50% of the additional earnings up to a maximum of $290.00 will not be deducted from a recipient's allowance.

If a recipient begins full-time employment (120 hours/month for 4 consecutive months) he/she is eligible for the Work Incentive Program (W.I.N.) administered through F.B.A. This program consists of monthly cash benefits which depend on earnings and family size and begins after 4 months of full-time employment. Included in this benefit are all the non-monetary benefits characteristic of F.B.A.

W.I.N. is designed to provide an incentive for F.B.A. recipients to work. Unfortunately the level of the W.I.N. benefit has not been updated since 1981 and as a result falls short of providing a monetary incentive to work. The F.B.A. benefit for 1 adult and 1 child (over 16) is $914/month. In comparison, the same recipient earning $675/month at a job will receive $150 W.I.N. benefit for a total income of $825 monthly. This is approximately 10% below the benefit that a non-working F.B.A recipient would receive and results in an annual income of $9,900, 31.6% below the 1988 Estimated Statistics Canada Low Income Cut-Off Point. It appears that this program is a disincentive to work.

For the first four months of full-time work before the individual is eligible for W.I.N., the earning exemptions for a 1 adult, 1 child family are applied (as with part-time employment):

$675.00
<u>-190.00</u> [i.e., $190 not considered income (100+50+40)[3]]
$465.00

$914 - 465 = $449 (difference from F.B.A. is paid to recipient)
$675 + 449 = $1,124 (monthly, for the first four months)

This monthly income is also higher than the W.I.N. supplemented income. It is important to note that before the end of 1988, the Ministry of Community and Social Services anticipates an extensive review of the W.I.N. program.

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[3] The $100 refers to the basic family earnings exemption. The $50 refers to 50% of the next $100 earned above the earnings exemption. The $40 refers to the flat rate work expenses exemption

Once a client begins a full-time job (regardless of qualifications for W.I.N.) he/she is also eligible for phase-out allowance. The client may choose to receive this $250 benefit in a lump sum or on a three month payment schedule. The added advantage of the latter would be the simultaneous continuation (just for the 3 months) of the F.B.A. non-monetary benefits (e.g., O.H.I.P. coverage). Both W.I.N. and the phase-out allowance are designed to help the individual through the transition from social assistance to employment.

Additionally, Vocational Rehabilitation Services are available to those eligible disabled persons who wish to become employed. The applicant must be certified as disabled by a medical report and not eligible for Department of Veterans (Affairs) Allowance or Workers' Compensation Board Benefits. The assistance consists of Individual Vocational Programming (including counselling, assessment, training, restoration services and job placement) and living expenses via F.B.A. through GAINS-R while attending an assessment or training program. The financial aid is accompanied by O.H.I.P., dental coverage and travel allowance.

## 3.4 Guaranteed Annual Income Supplement for the Aged (GAINS-A)[4]

### 3.4.1 Overview

The last step in the journey through a lifetime of poverty for social assistance beneficiaries is 'old age'. At 65, recipients are moved from G.W.A., F.B.A., or GAINS-D to Old Age Security programs.

The provincial government is committed to ensuring a minimum annual income for Ontario seniors. In doing so, the government has introduced the Guaranteed Annual Income System (GAINS-A) for residents 65 years of age and over. Seniors may receive income from a variety of sources, including private pensions, the federal government's Old Age Security Pension (O.A.S.) and Guaranteed Income Supplement (G.I.S.). However, a retirement income often falls short of the minimum level set by the province, and when this occurs GAINS-A makes up the difference. For eligible recipients, GAINS-A cheques are sent out on a monthly basis by the Ontario Ministry of Revenue.

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[4] This information was extracted from the Ministry of Revenues, 1988 GAINS for Seniors

Since information provided to Health and Welfare Canada establishes eligibility and entitlement, no separate application is required for GAINS-A. Seniors are eligible for GAINS-A payments if they meet the following requirements:

a) in receipt of full federal O.A.S. and G.I.S.; and
b) their total income from all sources is below the guaranteed level.

In order to receive both G.I.S. and GAINS-A, a yearly application for renewal of G.I.S. must be completed. Applications are mailed to seniors by Health and Welfare Canada in January and must be returned by the end of March.

If senior citizens wish to question their eligibility or their benefit level they may contact the Ministry of Revenue's Guaranteed Income and Tax Credit Branch for an explanation. In the event that they are still dissatisfied they may lodge a formal complaint by completing a Notice of Objection form which must be returned to the Ministry of Tax Appeals Branch. At this point it will be reviewed by the Minister and the applicant will subsequently be notified of the Minister's decision by registered mail.

### 3.4.2 Types of Programs

As eluded to in the previous section, a senior citizen in Ontario can receive an Old Age Security (O.A.S.) pension, the Guaranteed Income Supplement (G.I.S.) as well as GAINS-A. Specifically, when an Old Age Security pensioner has a limited annual income (less than $8,951.99), apart from the pension, he/she may be entitled to a Guaranteed Income Supplement (G.I.S.). If his/her income is severely limited (less than $1,992.00), he/she will be eligible for GAINS-A as well as G.I.S. As of April 1988, the maximum O.A.S. pension for a single senior not eligible for GAINS-A is $313.15 per month and the maximum G.I.S. (when the applicant is not eligible for GAINS-A) is $289.16 per month. This translates into a total benefit (not including the income from other sources) of $7,227.72. This is 34.2% below the Estimated 1988 Statistics Canada Low Income Cut-Off Point and 39.6% below the Adequate Budget level for Hamilton-Wentworth (Figure 1).

### 3.4.3 A Lifetime of Poverty

Some senior Ontarians are eligible for three forms of assistance: Old Age Security (O.A.S. - $313.15/month maximum), Guaranteed Income Supplement (G.I.S. - $372.16/month maximum) and Guaranteed Annual Income Supplement for the Aged (GAINS-A - $83/month maximum). The three provide the highest annual income ($9,219.72) a single social assistance recipient could receive. Similarly, a couple who are both recipients of these programs will receive a maximum of $1,277.08 monthly ($638.54/person). These amounts are valid as of June 1988 but will increase four times a year as O.A.S. and G.I.S. payments reflect changes in the cost of living.

This pinnacle of income security still places a single senior, 16.1% below the 1988 Estimated Statistics Canada Low Income Cut-Off Point and 23% below Adequate Budget Levels for Hamilton-Wentworth (Figure 1). A couple that receives O.A.S., G.I.S. and GAINS-A have an income above Statistics Canada Line, though it remains 22% below the Adequate Budget Level (Figure 2). Although these programs have narrowed the margin between the benefits and the conservative definitions of poverty, one must consider the added costs (e.g., transportation and special diets) of being a senior in our society before we wholeheartedly praise their generosity.

## 4.0 SIGNIFICANT ISSUES

### 4.1 Poverty As A Long Term Condition

In theory, a person could join the welfare roles at age 16 and, considering average life expectancies, remain in a condition of chronic poverty for sixty-four or more years. He/she could move from program to program and never receive adequate support services to achieve independence from the Social Assistance System. Other sub-groups such as the disabled, rarely have the opportunity or are rarely provided with support services necessary to find permanent employment that pays an adequate income. Thus, these people are also forced to endure a lifetime of poverty.

It is women, though, who are most often caught in this long-term poverty trap. A woman whose spouse dies or leaves her with dependent children is eligible for General Welfare Assistance. If she has one child under the age of 9, her maximum 1988 monthly allowance including shelter subsidy would be $756.00 ($9,072/annum) - with two children both under the age of 9, the maximum becomes $850.00 per month ($10,200/annum). After a waiting period of at least three months, she and her family are eligible to be moved to F.B.A. The family income, including shelter subsidy, would rise to a maximum of $851.00 per month ($10,212/annum) or $957.00 per month ($11,484/annum) if there are two children (Figures 3-4).

After the last child has left home, the woman would be transferred back to General Welfare Assistance for employables. She will receive $467.00 per month ($5,604/annum) plus non-monetary benefits as long as she meets the department's job search requirements. Unfortunately, after a decade and a half in receipt of Family Benefits, this woman might not have either the skill requirements, education or experience to find employment.

Once this woman reaches 55, she is deemed to be unemployable by General Welfare policy. At this time, she will receive a slightly higher monetary benefit, a maximum of $475.00 per month ($8.00 a month more than as an employable) or $5,700 per year, including the maximum shelter subsidy.

At age 60, the woman will be transferred back to the Family Benefits caseload. Her entitlement increases to the GAINS-D level of $693.00 per month ($8,316/annum). However, sixty year old men are not eligible for this transfer and continue to receive G.W.A. until age 65 when all social assistance recipients are again transferred, this time onto O.A.S./G.I.S./GAINS-A.

Many issues arise from this scenario. The most significant and relevant though, is that regardless of the increasing generosity of income maintenance programs, none bring a recipient above the country's most conservative estimate of poverty. Once people become enveloped in the system, they are assured a lifetime of poverty with fewer and fewer opportunities to escape the older they become. However, as recipients age within the system, they receive more financial benefits. Resources are at a minimum during early ages when opportunities still exist to upgrade, retrain and find employment that provides an adequate income as well as before individuals resign themselves to a life of poverty.

## 4.2 The Working Poor

A group often ignored in discussions of social assistance reforms is the working poor. An individual earning Ontario's minimum wage ($4.55/hour) would fall 25.2% below the 1988 Estimated Statistics Canada Low Income Cut-Off Point and 31.3% below the S.P.R.C. Adequate Budget Level. If the person was supporting two children, the income would be 57.5% below the former indicator and 56.2% below the latter. As well, these workers rarely receive the same benefits to which social assistance recipients are entitled. Only recently has Ontario implemented a program whereby the earnings of the working poor are subsidized (topped-up) to a level of the corresponding benefit. For an individual to provide his/her family of three with an income at the Adequate Budget Level, he/she would have to work 111 hours a week at the minimum wage of $4.55/hour (refer to Figures 1-4).

Although the figures are not as recent as one might hope, the 1981 Census data regarding employment income presents a grim picture. In 1981, 19.9% of men in Hamilton-Wentworth reported employment income less that the Statistics

Canada Low Income Cut-Off Point. For women, the corresponding percentage was 50.7%. Since the recession, we have seen a further concentration of women in "ghettoized" employment so that, on a Regional basis, updated data would unlikely show significant improvement. Employment, therefore, is not a reliable solution to the problem of poverty.

Certainly many of the non-monetary benefits open to social assistance recipients are not available to the working poor (e.g., prescription drugs, dental work, eye glasses, prosthetic devices and shelter subsidies). The exception, of course, would be those who qualify for the topping-up benefit provided under the auspices of G.W.A. As well, the Ontario Health Insurance Plan (O.H.I.P.) provides premium assistance to some people.

i) A single person whose taxable income is less than $5,500 annually receives graduated assistance to an annual income of $4,000, below which full assistance is offered.

ii) A family whose taxable income is less than $6,500 annually will receive graduated assistance to an annual income of $4,500 below which full assistance is offered.

Nevertheless, any change to the Social Assistance System should involve security of income for the working poor.

## 4.3 The Need For Support Programs: Some Examples

The S.P.R.C. has argued that adequacy, as a goal for social assistance policy, includes a dimension which goes beyond financial assistance to include the ability to participate in the life of one's community. This aspect demands that social assistance policy include a notion of enablement which can be developed and accessed through a wide variety of support programming. It was indicated previously that access to services is an important element in determining adequacy and that access to services can be impeded in a variety of ways (e.g., lack of services, geographic inaccessibility and cost as a blockage). Support programs are not only an appropriate, but a necessary focus for the Social Assistance System. The following three sections provide some examples of support programs.

4.3.1 Expanded Employment[5]

Employment, alone, cannot eradicate poverty. Employment, along with a sensitively developed social assistance program, can.

Traditionally, the private sector has been looked to as the key actor in employment growth. Recent trends confirm what many analysts, including the S.P.R.C., predicted during the early 1980's: that the traditional engines of growth (large, heavy industry) in many communities, including Hamilton-Wentworth, could weather the recession, regain profitability and experience growth without expanding employment.

Information received from the Canada Employment and Immigration Commission (C.E.I.C.) confirms that in recent years in the Hamilton C.M.A. there has indeed been positive growth in the service sector, and a small to negative growth in low to semi-skilled, high paying manufacturing and heavy industry employment (refer to Appendix D). Conversely there has been an increase in the demand for higher skilled technical jobs (individuals with apprenticeships or a college education).

As well, there has also been an increase in low paying work within the service sector. However, many of these positions are not being filled. This may be due partly to a decrease in the youth population in the Region (from 98,785 in 1976 to 91,420 in 1986). Youth have traditionally been the prime candidates for this type of work. More generally though, this trend may also be a direct result of the increased availability of more desirable employment during these good economic times. Simply, there are more jobs to choose from.

Certainly the federal, and it would appear increasingly the provincial government, have placed the vast majority of their considerable resources at the disposal of the private sector. Federally, through the Canadian Job Strategy Programs, there has been a trend towards more sharing of responsibility and employment development between government and the private

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[5] The bulk of this information is taken from personal communications with Andy Korosi of the Canada Employment and Immigration Commission.

sector. Provincially, the development of Hamilton-Wentworth Skills Training Advisory Committee is a welcome innovation in terms of local control of training monies). Both have served, to date, as a forum primarily for the private sector.

In Hamilton-Wentworth, local government has developed a sophisticated regional economic strategy to increase its international competitiveness. This will place an emphasis on sectors other than heavy industry, such as services and the voluntary sector. As well, the strategy includes the expectation of an increase in the number of smaller competitive companies, that is, those supplying products to larger companies. Within this framework though, there is a lack of attention to two key issues. These are particular problems associated with employing the employment disadvantaged and the possibilities inherent in a mixed approach to economic development.

These two issues which are centrally-related to expanded employment, require further discussion here. First, the private sector has not, traditionally, been the sector to respond to the employment needs of the employment disadvantaged, the vast majority of whom are social assistance recipients (e.g., the disabled, single mothers, etc.). Recently, however, the employment disadvantaged have been targeted for training and education opportunities to a greater degree than has previously occured. Second, the provincial government must continue to support innovative attempts at employment creation which do not necessarily fall into the traditionally defined role of the private sector (e.g., develop a mixed employment approach). Although we do not as of yet have any evidence, recent drops in our unemployment rate may reflect growth in poorer quality employment (e.g., low wage, part-time work), a decrease in the youth population and shifting numbers of employees in various employment sectors. While the possible growth of poorer quality employment may have a profound impact on the unemployment rate, it may have an equally profound impact on income distribution creating an even larger group of working poor. We must wait to see if this is, in fact, the case.

The response to the first issue mentioned above is training and education. What we know about training and education for the employment disadvantaged is far less than what we do not know. We know for example, that the National Training Program, according to the Report of the Royal Commission on Equality in Employment (1984) did not meet the retraining needs of women. We know, from a 1983 survey conducted by Single Mothers Against Poverty in Hamilton-Wentworth, that 84% of their respondents (single mothers on social assistance) were not enrolled in educational or training programs but wished to be. We also know that our Regional Social Services Department has an employment services unit whose purpose is to assist chronically unemployed men and women in finding employment and to ensure that basic bridging programs are well attended (even though they are more poorly funded).

During the last two years, attempts have been made to assess the effectiveness and relevance of program initiatives for different target groups. The joint federal/provincial initiative which focuses on social assistance recipients began in 1987. Both the Canada Employment Centre (C.E.C.) and the Ministry of Community and Social Services have plans for an evaluation of these activities; the results of these evaluations should be available over the next year or two. The C.E.C. has conducted surveys of Canadian Job Strategy (C.J.S.) program participants in 1985-87 (C.J.S. Planning Committee, 1987 Preliminary Report) and 1987-88. While the 1985-87 survey indicated positive results in terms of employment success following the program, the results are not yet available for the social assistance recipient group alone. As well, the S.P.R.C. is completing a study of the effectiveness of the referral system of job training programs. To our knowledge, this type of study has never been done with the intent of publicly releasing the results.

Our other research (Csiernik and Rempel, 1986) has indicated that many - if not most - recipients wish to work given the necessary supports. Our research has also indicated, however, that "the poverty trap" often results in poor self-esteem which sometimes results in a loss of motivation to seek a way out. Support programs should include basic programs to increase self-esteem and remotivate those who may have become discouraged. We are not endorsing a "blaming the victim" perspective, but, rather, a positive, voluntary, non-punitive approach which would work with people, in an attempt to empower them. Given that many recipients would be happy to leave the Social Assistance

System behind them, such programs could, we believe, have measurable effectiveness.

The response to the second issue related to expanded employment is the mixed employment approach and innovative attempts at employment. Depending exclusively on the private sector for expanded employment is too narrow a strategy given the potentially questionable quality of employment which may be created and the risk for the employment disadvantaged.

There is, across Ontario, the potential for a vast array of complementary strategies for employment creation and retention which should be actively promoted and supported by both the federal and provincial governments. Among these alternatives are entrepreneurial incubators (e.g., in Hamilton, the Small Business Centre), production co-operatives and community development corporations. The increasing importance of small business as a source of new jobs has been recognized by the key players in local economic development. Ongoing discussion concerning establishment of the Small Business Centre and the targeting of small business for special initiatives by the C.E.C. indicate a commitment to encourage further development in this sector. In many cases, such innovative forms of economic activity are, by nature, likely to include the employment disadvantaged as labour targets. (For a fuller discussion of community development corporations, please see Brief Submitted to the Royal Commission on the Economic Union and Development Prospects for Canada, Social Planning and Research Council, Hamilton, 1983.)

The drop in the available low to semi-skilled, high paying jobs have left many unskilled workers without employment. Because of this, many think that what is needed is a training continuum. This would ensure that displaced workers would at least have a marketable and "updated" skill with which they could utilize when seeking employment. Some current training programs are attempting to achieve this goal. As examples, the Canadian Job Strategy and the Hamilton-Wentworth Skills Training Advisory Committee will be discussed.

The Canadian Job Strategy is a job training and job experience program with two basic goals: i) to help those in need; and
ii) to do what works best.

Those in need refers to both the employers and the workers. Specifically, the official target groups are females, natives, visible minorities and the disabled. In addition, social assistance recipients, older workers and youth are priorities. The program is a partnership between the C.E.C. and the community which may include other levels of government, colleges and universities, community groups, employers and their associations, workers, and the Chamber of Commerce. Inherent to this approach is the concept of a "local planning strategy" in which the local Canada Employment Centre, through consultation with the community, seeks to identify and meet local employer and worker needs. An important principle is the sharing of responsibility for training and employment development between government and the private sector. It is important to note that employers and program coordinators involved in these programs are from both the profit and not-for-profit sectors. Generally, the C.E.I.C. actively seeks to market these programs by aiming for <u>permanent</u> jobs and <u>permanent</u> training instead of concentrating on temporary short-term solutions.

The Hamilton-Wentworth Skills Training Advisory Committee is funded primarily by the federal and provincial governments and partly with municipal funds and assesses local labour markets and occupational needs through surveys. With this information the committee purchases and coordinates training courses. This work is community driven and to avoid overlapping services, it is coordinated with the C.E.C.'s Canadian Job Strategy.

Before closing this section on expanded employment one final item should be discussed. As of July 1987 the federal and provincial governments came to a two year agreement whereby $100 million dollars will be set aside for programs which will help social assistance recipients prepare for and obtain employment. A number of organizations are involved in the coordination of this initiative including the C.E.I.C., F.B.A., G.W.A., Mohawk College and Citizen Action Group. It is important to realize that social assistance recipients have special needs and barriers with respect to attaining employment and therefore require special programs.

Depending on the needs of the participant, the programs may contain an employment readiness component which can include life skills and motivational counselling. In addition, skill training and work experience are emphasized

to facilitate a return to the labour market. Participants may receive an allowance or wage depending upon the particular setting. One is reminded though, that if participants earn more than what the Social Assistance System permits, benefit cut-backs will occur. As well other allowances may be available to offset the costs of transportation and child care.

### 4.3.2 Employment Facilitator: Child Care

Even where training is effective and employment opportunities exist, barriers to employment may still exist. For example, Single Mothers Against Poverty (1983) found that access to and affordability of day care, transportation costs and low self-esteem were significant barriers to training - the same would hold true, in many cases, for employment.

Child care programs vary tremendously from municipality to municipality, but certain issues are global: there are insufficient approved spaces available; where there are spaces, costs may prove prohibitive; and, where subsidies exist, limits may keep low to moderate income families out of the approved market.

Child care has never been a luxury, although popular perception may so have suggested. It has, however, increasingly penetrated even popular perception that access to good quality care is a necessity and, for government, a compelling adjunct to social and economic policy.[6]

### 4.3.3. Housing[7]

An essential component of any viable social assistance strategy is a comprehensive and equitable set of housing policies. We have already seen, for example, the impact the shelter component of social assistance allowances has on determining the remaining disposable income of recipients.

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[6] In Hamilton-Wentworth, the work of the Day Care Advisory Committee of the S.P.R.C., adopted by our Regional Council, has resulted in improved access to subsidized care and an innovative and effective funding formula for day care centres (see First and Second Interim Reports of the Day Care Advisory Committee).

[7] The bulk of this information is taken from personal communication with Maggie Fischbuch of the Regional Social Services Department.

We would agree with the Government of Ontario "that basic affordable housing is achievable for all Ontarians" (Government of Ontario, 1985:1) and would go a step further to suggest that such housing should in fact be a basic right for all Ontarians. The current philosophy for assessing the demand for subsidized housing in Ontario is based upon the idea of housing those people in the greatest 'need' first. Within this context, the Social Planning and Research Council thinks that the government has a significant role to play in the provision of adequate and affordable accommodation within the province.

While the Ministry of Housing's Assured Housing for Ontario initiative, announced in December 1985, has established a progressive course of government action on paper, it may be premature, at this point to adequately gauge its success in meeting the needs of Ontario's social assistance recipients and working poor. At that time, the province was given the administrative responsibility for social housing; previously it had been the responsibility of the federal government administered through the Canada Mortage and Housing Corporation. The program is still largely federally funded, (60%) but allows for input from both federal and provincial levels of government. Since the end of 1985, a number of housing programs have been implemented through this initiative:

1. revisions to Rent Review;
2. social housing initiatives;
3. convert-to-rent; and
4. low-rise rehabilitation.

In addition, other new initiatives have also been implemented including:

1. project 3,000 (in 1986, the province funded 3,000 new units);
2. currently there are plans for 30,000 new units over the next three years; and
3. changes to the Planning Act facilitate affordable housing development.

'Subsidized housing' is a general term which may be used to describe a number of programs. First, non-profit housing may be municipal, private or co-op and is currently funded provincially. A portion of these developments

are designated for rent-geared-to-income[8]. Second, the Ontario Housing Corporation (O.H.C.) is responsible for public housing, which is 100% rent-geared-to-income. Although none has been built since the late 60's, administration is the responsibility of the local Housing Authority. Third, there are developer subsidies for all sorts of housing development. Fourth, tax breaks are provided for individuals, landlords and developers. And fifth, shelter subsidies are offered through social assistance programs.

Even with these housing initiatives and amendments to the current shelter subsidy program, the issues of adequate supply and access to that supply persist. Thus, government intervention in housing supply will continue to be necessary.

Like many social assistance programs, housing and its many related issues are constantly changing. For example, before December 1987 singles had no access to non-profit housing, unless they were "labelled" (i.e., disabled). This has changed. Now the issue is the lack of availability of appropriately sited units for singles.

An effective housing policy should be based upon the following three criteria:

a) accessibility;
b) adequacy; and
c) affordability.

Accessibility raises the question of whether subsidized housing is equally available to all needy segments of the population (e.g., physically disabled, psychiatrically disabled and singles). Long waiting lists and insufficient supply of adequate units are crucial factors which further impede accessibility.

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[8] In the 1950's, 100% rent-geared to income housing was built. However, this met with substantial opposition, and as a result "integrated" apartments were constructed. This housing was approximately 15% rent-geared-to-income units, and 85% low end of market. It focussed primarily on families then on seniors as these groups were more politically acceptable. Since 1970's there has been a push for a higher relative percentage of rent-geared-to-income units.

In March 1986, the Social Planning and Research Council completed a major study of the housing and support care needs of the physically disabled in Hamilton-Wentworth (S.P.R.C., 1986). It became apparent during the course of the study, that one of the impediments to ensuring equal access to subsidized housing was the point-rating of disabled persons using the same system designed for families (see Appendix E). Upon further examination, it became clear that this system did not adequately reflect the special housing needs of the disabled, and that a point-rating system for the physically disabled was required. It is interesting to note that this same recommendation was also made by the provincial Standing Committee on the Administration of Justice (1981). Changes in policy to address these inequities and shortcomings would go a long way in ensuring equal accessibility for all.

Adequacy of supply is the second, necessary criterion. As of June, 1988 in Hamilton-Wentworth, there were over 800 families and approximately 200 disabled applicants on the waiting list of the local housing authority. In total, this translates intc a 8.9% increase from June 1987 in number of applicants on the waiting list. Certainly, this list is only one indicator of the true magnitude of need in the community. Despite the yearly allocation of units to this Region and the recent formation of a Municipal Non-Profit Corporation (City of Hamilton), the supply of assisted housing is still inadequate.

In addition to supply concerns, adequacy criterion must be met on other levels as well. The quality of units, including health and property standards, should be maintained and strictly enforced.

The Social Planning and Research Council formally supports the implementation of a comprehensive community needs survey and waiting list analysis to determine the need for additional units for families and disabled persons. Immediate action to meet the need identified by the above analysis should be a priority. The Council also concurs with the recent government policy direction which supports the funding of mixed-income, integrated projects (i.e., co-operative, private and municipal non-profit programs).

The issue of affordability, the third criterion, as it relates to housing is central to the review of the Social Assistance System in Ontario. Whether an individual or family resides in subsidized housing or not, an income sufficient enough to support oneself in a residence is essential. Adequate housing and sufficient income are directly related to one another. Thus, it would appear that one of the keys to ensuring affordable housing is to implement a broad policy of income maintenance adequacy for Ontario's needy families, singles and disabled persons. Nonetheless, the issue of supply should also be addressed because there is a definite shortage of adequate housing units.

## 5.0 THE FUTURE

In the preceding sections we have presented the facts surrounding the Social Assistance System. We have also tried to explain our values pertaining to and our desires for, a different social assistance system.

It is appropriate at this time to include an overview of future community trends that may have an impact on the issues which have already been explained. Issues such as inadequate incomes, a lack of support services, inequities of worthiness classifications and long term poverty for many "welfare" recipients may continue into the future if the Social Assistance System is not altered. The community trends workshop held on June 22, 1988 (Social Planning and Research Council) provides us with a glimpse of what the future holds for our society.

- There is a continuing shortage of affordable housing. Waiting lists are increasing for rental accommodation and average house prices are too high for prospective purchasers.
- The use of food banks is increasing. People appear to be spending more money on shelter costs.
- Employment opportunities are increasing in the service sector but these job are, for the most part, lower paying than the jobs in the manufacturing and other sectors.
- There will be a continued need for services for unemployed older workers who have been displaced by technological advances.
- Disabled people will experience higher costs for services because technology is often part of the service system for disabled people and is frequently expensive. Deinstitutionalization will continue to see more disabled people living in the community and requiring support services.
- Population projections indicate that increasing numbers of people will be living in areas outside major urban areas. Thus services must be made "available" to satisfy these people's needs.
- Finally, there will be an increasing need for more day care because more women are entering, and will continue to enter, the paid work force.

Many of these trends are disheartening because they add more complexity to an already complicated social assistance system. The changes that have already been noted (refer to sections 3.2.8 and 4.3.3) impact more on the support services side of the Social Assistance System, yet the financial alterations do virtually nothing to move people beyond poverty.

The Social Assistance Review Committee is scheduled to release its major report during the fall of 1988. It is not clear to us at this point, to what degree the government is committed to changing the present system. For those of us who are advocates, struggling to support and advance the lives of people who live in poverty, the release of this report will allow us the opportunity to advocate the goals of adequacy, accessibility and equity as well as to address the significant issues of long term poverty, the need for support programs and the issues surrounding the working poor.

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# APPENDIX A

## NOTES TO FIGURES 1 TO 4

Notes to Figures 1 to 4

[1] Maximum Annual Income includes maximum Basic Monthly Allowance plus the maximum shelter subsidy and fuel allowance:

- Maximum Shelter Subsidy (G.W.A./F.B.A./GAINS-D)

| | F.B.A./GAINS-D/G.W.A. Amount | |
|---|---|---|
| Family Size | Monthly | Annual |
| 1 | $159.00 | $1,548.00 |
| 2 | 234.00 | 2,808.00 |
| 3 | 244.00 | 2,928.00 |

- Fuel Allowance (F.B.A.)

Fuel allowance is available through Family Benefits. A recipient receives a fuel allowance as a part of his/her shelter subsidy or he/she receives the fuel allowance alone. The means by which he/she receives his/her allowance depends on the individual situation. For example, a person with high rent will likely receive a shelter subsidy including fuel allowance. Conversely, a person with high fuel costs will receive a fuel allowance alone (no shelter subsidy), as this way he/she will receive the maximum assistance.

Non-monetary benefits are not included in annual income levels. The following, based on the Social Planning and Research Council's "Guide to Family Budgeting - 1986" are approximates that could be added to the social assistance levels indicated in Figures 1 to 4.

## NON-MONETARY BENEFITS

| Benefit | Beneficiaries | Family Size | Average Annual Amount |
|---|---|---|---|
| O.H.I.P. | all groups | 1 | $357.00 |
| | | 2+ | 714.00 |
| Prescription Drugs | all groups except | 1 | 149.40 |
| | minimum wage | 2+ | 280.68 |
| Dental Care | G.W.A./F.B.A./GAINS-D | 1 | 146.40 |
| | | 2+ | 313.44 |
| Eye Glasses | G.W.A./F.B.A./GAINS-D | 1 | 42.96 |
| | | 2+ | 85.94 |
| Property Tax Grant | G.I.S./O.A.S./GAINS-A | 1 or 2+ | 500.00 |

[2] Minimum Wage levels are based upon a 35 hour work week at $4.55 per hour including two weeks paid holiday. Also included is the corresponding annual income based on the minimum wage increase to $4.85 per hour as of October 1988.

Poverty and Adequacy Level Indicators

[a] Statistics Canada Low Income Cut-Off Point

Statistics Canada developed its values based upon average expenditures in communities using surveys of household expenditures. There are seven categories of family size ranging from one person to seven or more persons. Communities are divided into five groups according to population. One of these groups is metropolitan areas with half a million or more residents and includes Vancouver, Edmonton, Calgary, Winnipeg, Hamilton, (includes Wentworth County, Burlington and Grimsby) Toronto, Ottawa, Montreal and Quebec City.

Estimates are made on the percentage the average Canadian family spends on the basic necessities of food, clothing and shelter. Statistics Canada has determined that if a family spends more than 58.5% of its income on basic necessities, it is living in "strained circumstances". This value becomes the "Low Income Cut-Off Point". Appropriate adjustments are made for different family sizes and urban/rural residency.

[b] Canadian Council of Social Development Poverty Line

Since 1973 the Canadian Council on Social Development (C.C.S.D.) has employed the relative income approach, setting its poverty line at 50 percent of average Canadian family income.

The C.C.S.D. line is based on the prevailing value of the average Canadian Family Income as estimated by Statistics Canada. The income figure represents pre-tax income. In 1983, the average Canadian income figure was considered to represent the income of a family of three (the average Canadian family size). The poverty line for a family of three is calculated as 50 percent of the average income figure. Adjustments are then made for different-sized families on the basis of family income units (a family income unit is considered to be the annual amount necessary to sustain a dependent). Family-size adjustments are then scaled - a family of one is granted three income units; a family of two has five units; a family of four has seven units, and so on. (Figures for 1988 were provided through David Ross of the Canadian Council of Social Development.)

[c] Adequate Budget Levels

This method estimates standards for family living by determining, with the help of experts, the costs of goods and services in the community necessary to maintain the physical and social functioning of families.

Living costs include family food requirements, shelter costs, clothing, home upkeep, health care, personal care, transportation, and certain discretionary expenditures as education, recreation and others. Budget estimates can be related to family size, age, sex, occupational and other

circumstances of family members. The S.P.R.C. Adequate Budget Line is based on the actual cost of each of the above-listed items in Hamilton-Wentworth. The actual costs are found in the Guide for Family Budgeting in Hamilton-Wentworth for 1986. These costs are summed and the total represents the adequate budget line. [Since the Guide for Family Budgeting contains only 1986 costs, an inflationary figure (the average consumer price index for 1987 and the first half of 1988) was factored in to augment the adequate budget line to reflect 1988 costs. This is a crude calculation and may not be exact.]

The guidelines generally represent more than subsistence standards. Subsistence is often defined negatively in terms of social assistance and transfer payments as distinct from earned incomes. Subsistence budgets and 'poverty lines' tend to contain estimates of minimal physiological needs. Adequate Budget Levels do not represent an 'average expenditure' rather expenditure levels shown are the result of expert group judgements made about basic stocks of goods and services needed to maintain family households.

Sources: Canadian Council on Social Development. Not Enough: The Meaning and Measurement of Poverty in Canada, (Ottawa: 1984) pp. 29 - 31.

Perkovic, Eddy and Csiernik, Rick. Guide for Family Budgeting in Hamilton-Wentworth - 1986, (Hamilton: Social Planning and Research Council), pp. 3.

# APPENDIX B

## SOCIAL COSTS OF DISABLEMENT

# SOCIAL COST OF DISABLEMENT TO THE FAMILIES OF DISABLED CHILDREN

(Source: Judith Bishop, Member of the Social Planning and Research Council of Hamilton and District Board of Directors, 1986.)

## The Data

This information was collected from parents of children aged five to ten years in Oxford, England, in 1982, and Hamilton, Ontario in 1983. In England, the children had been identified as having special needs by the Oxfordshire Local Education Authority. In Hamilton, the sample was collected through the Hamilton Board of Education, Child and Family Services at Chedoke-McMaster Hospitals, and the Rygiel Home. The Hamilton sample has a much larger proportion of severely handicapped children which is probably the result of the way the information was collected.

A questionnaire was used to gather information. It was developed from English work in similar fields, which took a minimum of two hours to administer to the mothers of the children. Eight hundred and seventy-two variables were initially identified. However, because of the small sample size - 21 families in each city - statistically significant relationships were not a goal.

These data form part of an exploratory study, concerned with the use and delivery of services to families with children who have special needs. The parents were asked questions about the functioning of their child, their use of services both now and in the past, and whom they would look to for assistance.

## Lost Earnings

In response to Question 8.18 "Do you think your earnings or your husband's earnings have been reduced because of your child?" Twenty-two percent in Oxford and 52.4% in Hamilton agreed. Two in both cities thought that their husband's career had suffered as the family was not mobile; they were dependent on proximity to services for their child's needs. One mother in Oxford and two in Hamilton mentioned the time limitations on any work outside the home, as they had to be in the house when the child was at home; children in wheelchairs cannot usually let themselves in and out of the house. In fact, those mothers who were employed had chosen work where there was some flexibility of hours, or work that was available during the school day. All

but one of the Hamilton mothers and three of the Oxford mothers in employment were nurses. The rest of the Oxford women worked as cleaners, school lunch supervisors, a child minder, a school crossing guard and a freelance architect. One mother in each city thought that her career had suffered, and one Oxford mother and four Hamilton mothers thought they were unable to work at all because of the demands of the child. Finally, two families in Hamilton had been unable to maintain their mortgage payments because of lost working time when their child was very sick.

Extra Financial Expenses Mentioned

In the course of questioning mothers about the family and child's recreation activities, hospitalization of the child, travel and housing, it became obvious that parents had many expenses over and above those for normal children. Forty-seven percent in Oxford and 71.4% in Hamilton mentioned areas where extra expenses had been incurred. These included babysitting and holiday care of the child and heavy wear on clothes because braces can make holes. Travel was an expense as many of these children could not walk well, if at all, and parents found they needed a bigger car to carry the child and her chair, or had to use taxis as the child could not ride the local bus. Many of these children had spent a lot of time in hospitals. There were expenses associated with this (e.g., time off to admit the child, time off work to visit and care for the child, and the cost of travel back and forth). Regular appointments with specialized health professionals also took time away from work and involved travel costs. Some parents also had additional costs such as costly diets, medication and large diapers for children who needed them past the normal years of childhood. Some parents had spent much money in modifying their house for the child's needs. Children who were mentally retarded or had behaviour problems also needed house modifications to make it safe, or to prevent the child from wandering. Aids such as wheelchairs had also been a considerable expense to some parents, despite the implementation of the Assistive Devices Program because the 25% the parents had to contribute was often a considerable sum with expensive devices. Finally, there were some children, who because of their condition, felt the cold and parents had extra high heating bills.

Oxford mothers reported smaller costs than Hamilton mothers. Possible reasons for this include:

- that the Handicapped Allowance paid to families is not means-tested - eligibility depends on the disability of the child;
- the Family Fund provides cash allowances to any family whose child met the disability criteria for such expenses as heating, adaptions, clothing allowances, upkeep of the car, etc., where these were necessary for the child;
- the National Health Service pays for all devices - some of which are loaned to the child;
- a mobility allowance is paid to families whose child meets certain criteria;
- Local Authorities are empowered by the Chronically Sick and Disabled Persons Act, 1970, to provide resources for everyday living at home.

Restricted Family Social Activity

Mothers were asked "Do you feel your social activities are restricted because of the child's problems?" Seventy-one percent of mothers in Oxford, and 66.7% in Hamilton agreed that this was the case either now or in the past. The problems include:

a) the management of the child, such as having to provide specific foods, to catheterise the child, and have access to washroom facilities or not stay overnight because of lack of bladder control;
b) the child's physical limitations put restrictions on family outings because of the problem of access or moving a heavy chair;
c) the parents' own social activities were limited as parents felt they could not get out to make new friends, were not invited out to friends' homes, or they could not invite friends in when the child was at home;
d) some parents did not go out together as one would always have to be at home to care for the special needs child;
e) enbarrassment either from the child's behaviour or because of the attention from others in public, also curbed some parents' social activities with the child; and
f) suitable babysitters were also difficult to find for these children. A young high school student could not be expected to manage these children's specialized needs.

Additional Readings

P. Sainsbury and J. Grad de Alarcon "The Cost of Community Care and the Burden on the Family of Treating the Mentally Ill at Home" in Lees Dennis and Stella Shaw, ed Impairment, Disability, and Handicap, London: Heinemann for the Social Science Research Council, 1974.
See also
Baldwin, S. Disabled Children - Counting the Costs, London: Disability Alliance, 1977.

Baldwin, S. et al The Financial Consequences of Disablement in Children, York: Social Policy Research Unit, University of York, 1981.

Bishop, J. The Social Organizaton of Helping. Unpublished Masters Thesis. Social Welfare Policy Program, McMaster University, May 1988.

Bradshaw, J. The Financial Needs of Disabled Children, Disability Alliance, 1975.

Butler, N. et al Handicapped Children, Their Homes and Lifestyles. H.M.S.O. Occasional Paper 4/78, Department of the Environment, 1978.

Piachaud, D. et al "The Income Effect of a Disabled Child", J. Epidemiology and Community Health (1981), 35,2, pp. 123-127.

Salkever, D.S. "Children's Health Problems and Maternal Work Status", J. Human Resources (1982), 17, 1, pp. 94-109.

## APPENDIX C

## RECOMMENDATIONS FROM SOCIAL PLANNING AND RESEARCH COUNCIL BRIEF TO SOCIAL ASSISTANCE REVIEW COMMITTEE (NOVEMBER, 1986)

## RECOMMENDATIONS

Recommendation #1

a) THE PROVINCIAL GOVERNMENT COMMIT ITSELF TO THE DEVELOPMENT IN CANADA OF A SINGLE INTEGRATED AND ADMINISTERED INCOME SECURITY PROGRAM TO INCLUDE ALL CANADIANS.

b) THE PROVINCIAL GOVERNMENT ADVOCATE TO THE FEDERAL GOVERNMENT ON BEHALF OF THE CONCEPT OF A SINGLE INTEGRATED AND ADMINISTERED INCOME SECURITY PROGRAM TO INCLUDE ALL CANADIANS.

c) THE PROVINCIAL GOVERNMENT ENSURE BENEFIT LEVELS IN A SINGLE INTEGRATED AND ADMINISTERED INCOME SECURITY PROGRAM REFLECT ADEQUATE BUDGET LEVELS.

d) THE PROVINCIAL GOVERNMENT TAKE ALL STEPS POSSIBLE TO INTRODUCE AS MANY ELEMENTS OF A SINGLE INTEGRATED AND ADMINISTERED INCOME SECURITY PROGRAM INTO ONTARIO'S SOCIAL ASSISTANCE PROGRAMS.

Recommendation #2

a) ALL SOCIAL ASSISTANCE IN ONTARIO SHOULD BE PROVIDED THROUGH A SINGLE PROGRAM OPERATED UNDER REGULATIONS ESTABLISHED BY A SINGLE PROVINCIAL MINISTRY AND DELIVERED THROUGH REGIONAL OFFICES.

b) A SINGLE INTEGRATED AND ADMINISTERED INCOME SECURITY PROGRAM IN ONTARIO SHOULD REFLECT URBAN/RURAL ADEQUATE BUDGET GUIDELINES FOR ALL BENEFICIARIES, SO THAT BENEFITS ARE TIED TO NEED RATHER THAN STATUS. THIS PROGRAM SHOULD INCLUDE IN ITS BENEFITS GUIDELINES CONSIDERATION OF SPECIAL NEEDS AND HIDDEN SOCIAL COSTS OF DISABLEMENT TO THOSE WHO ARE DISABLED AND TO THE FAMILIES OF DISABLED CHILDREN.

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Recommendation #3

A SINGLE INTEGRATED AND ADMINISTERED INCOME SECURITY PROGRAM SHOULD NOT EXTEND ITS FUNDING INTO THE MUNICIPAL TAX BASE AND SHOULD, OVER TIME, BE FUNDED TO AN INCREASING DEGREE OUT OF GENERAL GOVERNMENT REVENUES.

Recommendation #4

CURRENT INEQUITIES BASED ON "CLASSIFICATIONS" OF RECIPIENTS BE ELIMINATED AND BENEFITS EQUALIZED SO THAT THOSE CURRENTLY RECEIVING LOWER BENEFITS RECEIVE THE HIGHEST LEVEL.

Recommendation #5

THE PROVINCIAL GOVERNMENT SHOULD AFFIRM THE RIGHT OF SINGLE PARENTS TO REMAIN AT HOME TO PARENT, BOTH IN THE CURRENT SOCIAL ASSISTANCE SYSTEM, AND IN A SINGLE INTEGRATED AND ADMINISTERED PROGRAM.

Recommendation #6

EXISTING PROGRAMS BE AMENDED TO FEATURE A UNIFORM ALLOWABLE EARNINGS LEVEL SUFFICIENT TO ENCOURAGE EMPLOYMENT AND THAT THE PRINCIPLE OF "UNIFORM ALLOWABLE EARNINGS" BE EMPLOYED IN THE DEVELOPMENT OF A SINGLE INTEGRATED AND ADMINISTERED INCOME SECURITY PROGRAM.

Recommendation #7

ONTARIO ADVOCATE WITH THE FEDERAL GOVERNMENT AND THE OTHER PROVINCES TO AMEND THE CANADA PENSION PLAN TO ALLOW PERSONS WHO WORK IN THE HOME BUT DO NOT RECEIVE FINANCIAL REMUNERATION TO ACCRUE PENSION CREDITS.

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Reccomendation #8

THE PROVINCIAL GOVERNMENT RELEASE INFORMATION ON THE EFFECTIVENESS OF TRAINING PROGRAMS FOR THE EMPLOYMENT DISADVANTAGED (SUCH AS THE EMPLOYMENT SUPPORT SERVICES COMPONENTS OF RECENT PILOT INTEGRATION PROJECTS).

Recommendation #9

THE PROVINCIAL GOVERNMENT REVIEW EXISTING TRAINING/ EDUCATION PROGRAMS TARGETED AT THE EMPLOYMENT DISADVANTAGED AND DEVELOP A COMPREHENSIVE TRAINING AND EDUCATION POLICY FOR THE EMPLOYMENT DISADVANTAGED AND A SET OF PROGRAMS IN WHICH THE EMPLOYMENT DISADVANTAGED MIGHT VOLUNTARILY PARTICIPATE.

Recommendation #10

THE PROVINCE OF ONTARIO ADVOCATE WITH THE FEDERAL GOVERNMENT FOR THE INCLUSION OF INNOVATIVE FORMS OF ECONOMIC ACTIVITY (SUCH AS COMMUNITY DEVELOPMENT CORPORATIONS AND CO-OPERATIVES) IN THE FEDERAL INDUSTRIAL AND EMPLOYMENT STRATEGIES.

Recommendation #11

THE PROVINCE OF ONTARIO INCLUDE INNOVATIVE FORMS OF ECONOMIC ACTIVITY WITHIN ITS OWN INDUSTRIAL AND EMPLOYMENT STRATEGIES, AND THAT IT DEVELOP CONCRETE STRATEGIES FOR ENCOURAGING AND SUPPORTING THE DEVELOPMENT OF SUCH INNOVATIVE ECONOMIC ACTIVITY.

Recommendation #12

THE PROVINCE OF ONTARIO EXPAND ITS COMMITMENT TO QUALITY DAY-CARE THROUGH A SERIOUS EXPANSION IN FUNDING WHICH CAN BE USED TO MEET LOCAL DAY-CARE NEEDS - IN THE FIRST INSTANCE, FOR INCREASED SPACES AND, IN THE SECOND INSTANCE, FOR IMPROVED FUNDING TO APPROVED PROVIDERS TO AUGMENT THE QUALITY OF CARE.

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Recommendation #13

GIVEN AN APPROPRIATE REVIEW MECHANISM, THE MINISTRY OF COMMUNITY AND SOCIAL SERVICES ALTER ITS SHELTER SUBSIDY PROGRAM TO PROVIDE SUBSIDIES REFLECTING ACTUAL SHELTER COSTS AS THE MAJORITY OF PROVINCIAL AND TERRITORIAL PROGRAMS ALREADY DO.

Recommendation #14

THE GOVERNMENT OF ONTARIO ALLOW ALL SINGLES ACCESS TO PROVINCIALLY SUBSIDIZED HOUSING UNITS.

Recommendation #15

A POINT-RATING SYSTEM AND WAITING LIST (SEPARATE FROM THE FAMILY SYSTEM) FOR PHYSICALLY DISABLED PEOPLE BE ESTABLISHED BY THE O.H.C. TO TAKE INTO CONSIDERATION THEIR SPECIAL HOUSING NEEDS.

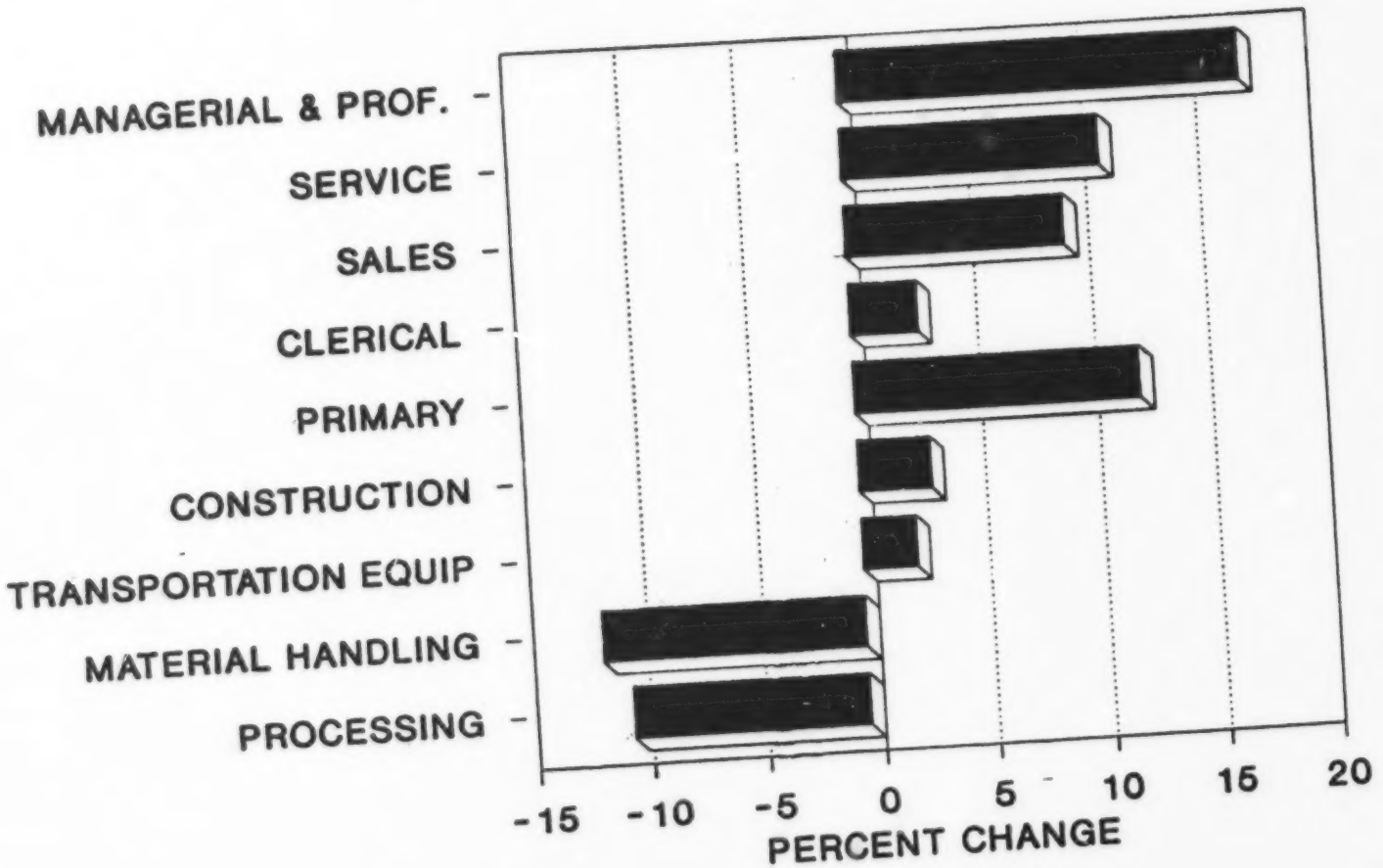
Recommendation #16

THE O.H.C. PERMIT DISABLED PEOPLE TO HAVE LIVE-IN ATTENDANTS.

# APPENDIX D

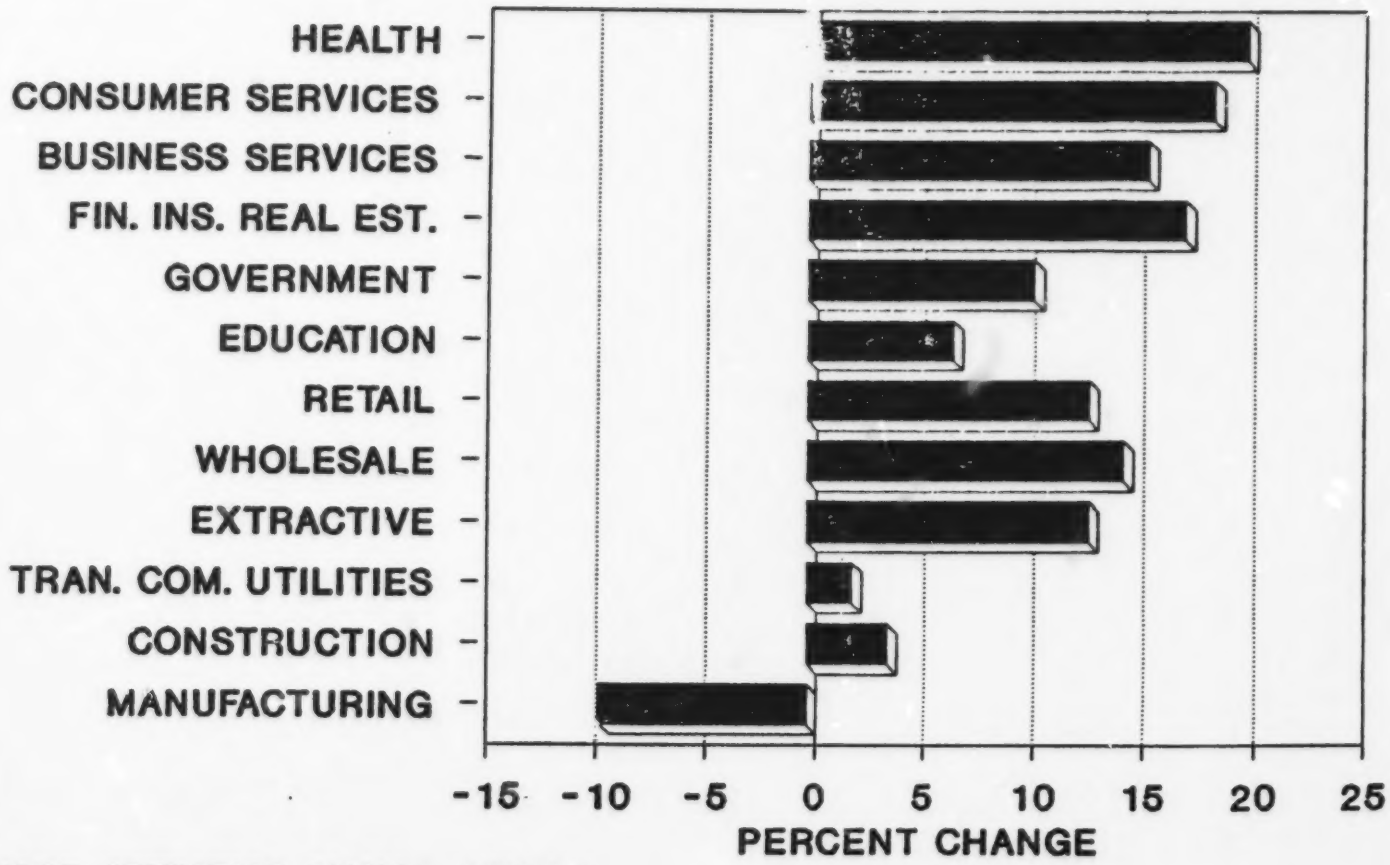
## EMPLOYMENT GROWTH IN HAMILTON C.M.A.

# EMPLOYMENT GROWTH BY OCCUPATION
## HAMILTON CMA 1981-1986




SOURCE: STATISTICS CANADA, CENSUS

# EMPLOYMENT GROWTH BY INDUSTRY
## HAMILTON CMA, 1981-1986




SOURCE: STATISTICS CANADA, CENSUS

# APPENDIX E

## A DESCRIPTION OF THE POINT RATING SYSTEM

Ministry of Housing
Ontario

# OUTLINE

## FAMILIES

### Rent-Geared-to-Income Housing – Criteria for Selecting Tenants

For families, single couples and single persons.

Ontario Housing Corporation accommodation for families is available to ~~parents(s) 18 years of age or more with at least one dependent child under the age of 18 years. Children attending school on a full-time basis are considered dependents even if they are more than 18 years of age, but under 21~~.

Physically-handicapped adults are also eligible to apply for subsidized housing, provided they are able to live independently.

As well, developmentally-handicapped and psychiatrically-handicapped adults are eligible for subsidized housing. Such persons must be capable of independent living, based on the assessment of a professional agency.

Rental housing is offered on the basis of applicants' need for housing, not according to the date on which they applied. Tenants pay rent based solely on income, rather than on the size or type of accommodation.

## The Housing Priority System

A housing priority system is used to measure an applicant's need in relation to other people who have applied for rent-geared-to-income housing. The system is intended to ensure that applicants with the greatest need are given priority in the allocation of housing.

Applicants with the same number of points are housed on the basis of date of application.
Points are awarded as follows:

## 1. Income

Points are given on the basis of gross household income, less allowable deductions. Working applicants are allowed an employment deduction as well as deductions for actual expenditures on OHIP premiums and child care up to a maximum amount. Separate income scales are used for each family size.
Maximum points – 100.

## 2. Current Accommodation Costs

Points are given for the percentage of income spent on accommodation. Accommodation includes utilities. Applicants who are paying less than 30 per cent of their income on accommodation receive no points, while those paying more than 55 per cent of their income on accommodation receive the maximum 30 points.

## 3. Overcrowding

A family is considered living in overcrowded conditions if:

- More than two persons share a bedroom;
- Two children of opposite sexes, over the age of five, share a bedroom;
- A single parent shares a bedroom with a child of the same sex over five years of age;
- A single parent shares a bedroom with a child of the opposite sex;
- There is a family separation caused by lack of affordable, adequate accommodation. Points are allowed for the total number of bedrooms required to accommodate the missing members of the family.

Maximum points – 30.

## 4. Special Circumstances

A. Notice to Vacate – A maximum of five points is given if applicants have received a valid notice stating that they must vacate their current accommodation. Points are not awarded if the notice to vacate is issued for reasons such as unjustified rent arrears.

B. Temporary Accommodation – Applicants living in municipal or charitable emergency shelters are eligible to receive 35 points. (If points are awarded in this category, the applicant is not eligible for points under "Current Accommodation Costs" or for "Notice to Vacate".)

## 5. Housing Conditions/Suitability

Points are given if the applicant's current accommodation is in such a state of disrepair as to be considered unsafe.

Points are also given for:

- A health condition which is aggravated by the applicant's current accommodation
- Living conditions which are unsatisfactory because of: inadequate light, ventilation, heating, or kitchen or bathroom facilities.

Maximum – 35 points.

Local housing authorities are responsible for the day-to-day management of OHC's rental housing across the province. For further information consult the blue pages of your telephone directory for your local housing authority listing.

Ministry of Housing
Ontario

# OUTLINE

## SENIOR CITIZENS

### Rent-Geared-to-Income Housing – Criteria for Selecting Tenants

Senior citizen accommodation is provided for couples when at least one spouse is aged 60 or more and for individuals aged 60 or more.

Physically-handicapped adults are also eligible to apply for subsidized housing, provided they are able to live independently. As well, developmentally-handicapped and psychiatrically-handicapped adults are eligible for subsidized housing. Such persons must be capable of independent living, based on the assessment of a professional agency.

Ontario Housing Corporation rental housing for senior citizens is offered on the basis of applicants' need for housing, not according to the date on which they apply.

Tenants pay rent based solely on income, rather than on the size or type of accommodation.

### The Housing Priority System

A housing priority system is used to measure an applicant's need in relation to other seniors who have applied for housing. The system is intended to ensure that seniors with the greatest need are given priority in the allocation of housing.

Applicants with the same number of points are housed on the basis of date of application.
Points are awarded as follows:

### 1. Income

Points are given on the basis of gross household income, less allowable deductions. Working applicants are allowed an employment deduction as well as deductions for actual expenditures on OHIP premiums.
Maximum – 100 points.

### 2. Current Accommodation Costs

Points are given for the percentage of income spent on accommodation. Accommodation includes utilities. Applicants who are paying less than 30 per cent of their income on accommodation receive no points, while those paying more than 55 per cent of their income on accommodation receive the maximum 30 points.

### 3. Overcrowding

Points are awarded on the basis of the number of bedrooms short of the applicant's requirement in the current accommodation.
Maximum – 20 points.

### 4. Special Circumstances –

A. Notice to Vacate – A maximum of five points is given if the applicant has received a valid notice stating that current accommodation must be vacated. Points are not awarded if the notice to vacate is issued for reasons such as unjustified rent arrears.

B. Temporary Accommodation – Applicants living in municipal or charitable emergency shelters are eligible to receive 35 points. (If points are awarded in this category, the applicant is not eligible for points under the "Current Accommodation Costs" or "Notice to Vacate" sections.

### 5. Housing Conditions/Suitability

Points are given if the applicant's current accommodation is in such a state of disrepair as to be considered unsafe.

Points are also given for:

- A health condition that is aggravated by the applicant's current accommodation
- Applicants lacking access to adequate transportation
- Living conditions that are unsatisfactory because of: inadequate light, ventilation, heating or kitchen or bathroom facilities.

Maximum – 45 points.

Local housing authorities are responsible for the day-to-day management of OHC's rental housing across the province. For further information consult the blue pages of your telephone directory for your local housing authority listing.

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